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SAN FRANCISCO
BOARD OF SUPERVISORS

GOVERNMENTAL OPERATIONS COMMITTEE

This Committee issued a "Calendar" for each meeting, which constituted the Agenda for the meeting. The Calendar had a blank line at the end of each agenda item for "Action".

The decisions taken at the meeting on each Calendar item were entered on the "Action" lines of the Calendar. The Calendar was then referred to as the "Action Calendar" or "Marked Calendar", and constituted the Minutes for the meeting.

Note that the Agendas and the Minutes are both captioned "Calendar". They differ in that the Minutes describe the action taken on each Calendar item.

This volume includes the available Minutes of this Committee's meetings. The Agenda is included only if the Minutes are missing.

Beginning in May 1989, the Budget Analyst prepared memoranda for many of this Committee's meetings. The memo for each meeting is inserted in this volume *in front of* the Minutes for that meeting. If the Minutes of a meeting are missing, the Budget Analyst memo is inserted *following* the Agenda for that meeting.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

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November 2, 1989

TO: Governmental Operations Committee
FROM: Budget Analyst
SUBJECT: November 2, 1989 Governmental Operations Committee Meeting

Item 1 - File 64-89-33

Note: This item was continued at the October 16, 1989, Governmental Operations Committee meeting.

Department: Real Estate Department
Controller's Office, Information Services Division (ISD)

Item: Resolution to authorize a new lease.

Location: 1155 Market Street, 10th floor and portion of 6th floor.

Purpose of Lease: Office and Computer Space for ISD plus classroom and training space for the End-User Computing Training Program.

Lessor: Continental Savings of America

No. of Sq. Ft. and Cost/Month: 14,066 sq. ft. @ \$1.00/sq. ft./mo. = \$14,066 per month

Annual Cost: \$168,792

% Decrease Over Present Lease: 11%. The Controller's Office is currently paying \$190,633 annually for leases at two sites: \$97,780 for 5,779 sq. ft. @ 1212 Market Street and \$92,853 for 4,525 sq. ft. @ 110 McAllister St.

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**Utilities and Janitor
Provided by Lessor:**

Yes, except for electricity.

Term of Lease:

Five-year lease from December 1, 1989 to November 30, 1994 unless funds for rental payments are not appropriated in any subsequent fiscal year, at which time the City may terminate the lease with ninety days prior written notice to the Lessor.

Source of Funds:

1989-1990 Budget

Comments:

1. Information Services Division is currently paying \$1.41/sq.ft./mo. at its location at 1212 Market Street and \$1.71/sq.ft./mo. at its 110 McAllister Street location. The rate at the proposed location would be \$1.00/sq.ft./mo.

2. The proposed location at 1155 Market Street would contain 14,066 sq.ft. on two floors and would represent 36% additional space over the existing facility.

3. The additional space, according to Ms. Judy Johnston of the Controller's Office, would make space available for 20 budgeted but vacant positions which ISD plans to begin filling after moving into the new offices. The new space would also include classroom and training space for an expanded End-User Computing Training Program. The Training Program teaches City employees how to use various mini computers and office automation systems.

4. According to Ms. Johnston, the Controller's Office has budgeted funds for moving expenses and no supplemental funds would be needed.

5. There are currently 51 ISD employees at 1212 Market Street occupying 113 sq.ft./employee. There are 24 ISD employees at 110 McAllister St. occupying 188 sq.ft./employee. With the addition of 20 employees, for a total of 95, there would be 148 sq.ft./employee at the proposed location.

6. The City would pay electricity costs at the new location. According to Mr. Gerald Romani of the Real Estate Department, these costs are estimated at \$0.035/ft./mo., or \$0.42 /ft./year. The total annual cost for such electricity costs would be \$5,908.

BOARD OF SUPERVISORS
BUDGET ANALYST

7. This item was continued at the October 16, 1989, Governmental Operations Committee meeting at the request of the Real Estate Department because Real Estate was also negotiating the purchase, by the City, of the 1155 Market Street building. Mr. Tony Delucchi of the Real Estate Department now reports that the City was not successful in attempting to purchase the building and therefore, the proposed new lease should be approved.

Recommendation: Approve the proposed resolution.

Memo to Governmental Operations Committee
November 6, 1989 Governmental Operations Committee Meeting

Item 4 - File 68-89-12

Department: Mayor's Office

Item: Resolution authorizing the Mayor's Office to apply for, accept, and expend a grant from the U.S. Department of Health and Human Services

Amount: \$822,029

Source of Grant: Federal funds under the Anti-Drug Abuse Act of 1988 and administered by the U.S. Department of Health and Human Services.

Grant Period: November 1, 1989 to October 31, 1990

Project: San Francisco Gang Prevention Program

Project Description: The proposed grant would fund the S.F. Gang Prevention Program which would develop, implement and evaluate a comprehensive program to prevent youth aged 11-14 from becoming involved with gangs. The proposed program would include prevention, diversion, and intervention activities plus an education component. The S.F. Gang Prevention Program would be administered by the Mayor's Office. The Recreation and Park Department would provide staff and equipment for the After-School Recreation component of this program. The Police Department would provide staff support and equipment for the Police Department Wilderness component of this program. A number of community organizations would provide contracted outreach, case manager and education services. A total of \$357,850 of in-kind services is being contributed by the City and community organizations.

Project Budget:

<u>Grant Budget</u>	
Civil Service Salaries:	
Program Coordinator (0.92 FTE)	\$39,417
Staff Assistant (0.92 FTE)	<u>27,500</u>
Subtotal	\$ 66,917
Mandatory Fringe Benefits	10,833
Recreation and Park Dept. (1.5 FTE)	36,000
Travel and Supplies	9,800
Video Van	16,000
Police Department Wilderness Program	20,000

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
 November 6, 1989 Governmental Operations Committee Meeting

Contractual:	
San Francisco SAFE	39,780
Community Board Program	29,333
Outreach Workers (12.88 FTE)	\$301,496
Case managers (7.36 FTE)	210,833
Youth Newsletter	25,000
Evaluation	40,000

Indirect Costs - 5% of Public Agency Personnel
 including in-kind services 16,037

Subtotal Grant Budget \$822,029

City and Contractor In-kind Services Included in 1989-90 Budget

Civil Service Salaries	
Juvenile Probation Dept. (3.67 FTE)	\$185,502
(including benefits)	
Program Director (0.10 FTE)	<u>5,300</u>
Subtotal	\$190,802
Recreation and Park Department - Equipment	43,000
Police Department Wilderness Program	15,000
SAFE-Education Materials	14,553
Outreach Worker (.92 FTE)	
- Chinatown Youth Center	23,192
Indirect Costs - SAFE & Community Agencies	<u>71,303</u>

Subtotal City and Contractor In-kind Services \$357,850

Total Project Budget \$1,179,879

Required Match: In-kind services match of 25 percent of projected budget required. Actual project budget includes in-kind match of \$357,850 or 30.3 percent. According to Mr. Jim Buick of the Mayor's Office, this was done to increase the attractiveness of the City's grant proposal.

Comment: The specific number of positions and dollar amounts allocated to the participating community organizations has not been finalized. Participating organizations include Chinatown Youth Center, Real Alternatives Program, Omega Boys Club, Ella Hutch Community Center and the Bayview Hunter's Point Program.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 5 - File 82-89-9

- Department:** Real Estate Department
Water Department
- Proposed Action:** Ordinance authorizing grant of a 1.028 acre storm drain easement in Alameda County to the Alameda County Flood Control and Water Conservation District.
- Location:** The proposed ordinance involves easement rights over a portion of Water Department Parcel 69 which is located within the City of Pleasanton (see attached map).
- Purpose:** The proposed ordinance would grant an easement to the Alameda County Flood Control District to construct an enlarged existing storm drain facility over surplus San Francisco Water Department land in Pleasanton. The Alameda County Flood Control District would also be responsible for maintenance of the storm drain facility. Construction of an enlarged storm drainage facility is necessary for the development of the upstream properties, which are not owned by the City of San Francisco, as well as the future development of the surplus San Francisco Water Department parcel. The Real Estate Department is currently working with the City of Pleasanton on a plan for the development of the Water Department's 500 acres in Pleasanton.
- Comments:**
1. The Alameda County Flood Control District would construct and maintain the enlarged drainage facility at no cost to San Francisco provided that San Francisco grants the easement at no charge. According to Mr. Larry Ritter of the Real Estate Department, normally the property owners benefitting from the drainage facility, in this case San Francisco, would be assessed for the cost of construction and the Alameda County Flood Control District would pay San Francisco for the grant of the easement. However, Mr. Ritter states that since the value of the construction by the Alameda County Flood Control District of the enlarged drainage facility to San Francisco would exceed the value of the proposed grant of the easement by San Francisco to the Flood District, San Francisco is not charging the Alameda County Flood Control District for the grant of this easement.

Memo to Governmental Operations Committee
November 6, 1989 Governmental Operations Committee Meeting

2. The grant of the proposed easement would not affect the City's Master Plan.

Recommendation: Approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
November 6, 1989 Governmental Operations Committee Meeting

Item 6 - File 146-89-64

Department: Department of Public Health (DPH)
AIDS Office

Item: Accept and expend a State allocation

Amount of Allocation: \$600,000

Source of Allocation: State Department of Health Services

Term of Allocation: July 1, 1989 to December 31, 1989

Project: AIDS Drug Program (Formerly AZT Drug Program)

Description: The proposed grant would fund the AIDS Drug Program to provide AZT and aerosolized pentamidine, which are AIDS drugs, to non-MediCal-eligible low-income persons who have a valid prescription for the drug from a licensed physician and who meet the income eligibility criteria. DPH estimates that approximately 210 patients would be served for six months with these funds.

Budget: Clinical Supplies (medicine) \$600,000

Required Match: None

Indirect Cost: None

Comment: The previous allocation amount for the AIDS Drug Program was \$2,735,553 for the 22.5 month period from August 17, 1987 through June 30, 1989, which is approximately \$1,458,962 per year. On an annualized basis, the proposed allocation of \$600,000 for six months (\$1,200,000 annualized) is approximately 18 percent less than the previous annualized allocation. According to Ms. Maria Lemus of DPH, the amount of allocation has decreased because the proposed \$600,000 will be used to administer AIDS drugs to clients at a lower dosage, which is less costly than the dosage provided through the previous allocation. According to Ms. Lemus, AIDS drugs testing has indicated that the lower dosages are sufficient.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 7 - File 146-89-65

Department: Department of Public Health (DPH)
Community Substance Abuse Services

Item: Resolution to apply for, accept and expend a new five-year federal grant

Amount of Grant: Up to \$1,934,972

Source of Grant: U.S. Department of Health and Human Services

Grant Period: October 1, 1989 through September 30, 1994

Project: Support, Outreach and Services for Women at Risk

Project Description: The proposed five-year grant would fund substance abuse prevention, intervention, treatment and perinatal support services for substance-using pregnant and post partum low income women and their infants. The DPH would provide counseling, perinatal care and other support services at two City-operated health clinics, Southeast Health Center and Westside Health Center 2. According to Ms. Martha Henderson, of DPH, the Federal government has committed to funding this program for five years. However, only first year funding of \$304,404 is currently available.

Contractual services include drug counseling and treatment services to be provided by the Women's Institute of Mental Health, and evaluation services to be provided by a consultant, yet to be selected. The Women's Institute of Mental Health contract would be awarded on a sole-source basis due to the short time period in which DPH was given to identify the contractor. DPH selected the Women's Institute based on the agency's familiarity with the target sites, experience in women's drug counseling and ability to quickly and efficiently implement the proposed services.

Grant Budget: The DPH has provided a summary of the five-year budget for the proposed \$1,934,972 five-year grant, which is attached. The budget for the first year, from October 1, 1989 to September 30, 1990, totals \$304,404, as follows:

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BUDGET ANALYST

Memo to Governmental Operations Committee
 November 6, 1989 Governmental Operations Committee Meeting

Civil Service Salaries (3.83 FTE)	\$124,075
Mandatory Fringe Benefits	31,019
Equipment - two filing cabinets (@ \$150 each)	300
Travel - Attendance at three national evaluation conferences (@ \$800 each)	2,400
Office Supplies	1,400
Printing	1,600
Travel vouchers for clients (15 trips/week x 44 weeks x \$3/trip)	2,000 *
Laboratory Urinalysis Tests (20 tests/mo. x \$6.50/test x 10 mos.)	1,300
Childcare for clients (\$600/mo. x 10 mos.)	6,000
Contractual Services	
Women's Institute (detailed below)	\$98,695
Evaluation Consultant (\$500/day x 28 days)	<u>14,000</u>
Subtotal Contractual Services	112,695
Indirect Costs	<u>21,615</u>
 Total First-Year Grant Budget	 <u>\$304,404</u>

* Number rounded.

The budget for the Women's Institute of Mental Health is as follows:

Women's Institute Contract	
Personnel (2.83 FTE)	\$ 76,391
Travel - One national conference (@ \$800) and four training meetings (@ \$150 each)	1,400
Equipment - Office	1,050
Micro Computers (2 @ \$3,007 each)	6,014
Supplies	2,000
Laboratory Tests (33 tests/mo. x 10 mos. x \$7.09/test)	2,340
Rent (\$800/mo. x 10 mos.)	8,000
Travel vouchers for clients (11 trips/week x 44 weeks x \$3/trip)	<u>1,500 *</u>
Total Women's Institute Contract	<u>\$98,695</u>

* Number rounded.

Comments: According to Ms. Henderson, the evaluation consultant will be selected on a competitive basis.

Recommendations: Approve the proposed resolution.

BOARD OF SUPERVISORS
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Five-Year SOS Budget Estimate

6. Object Class Categories

	YEAR:	1	2	3	4	5	TOTALS
a. Personnel*							
W. Clark, Ph.D., Principal Investigator (in kind)							
G. Oliva, M.D., Co-Principal Investigator (in kind)							
M. Henderson, Co-Principal Investigator (.05)							
G. Smyley, Co-Principal Investigator (.05)							
Project Director, 10 mos. -							
(2591 Health Program Coordinator II)	32,154	38,000	39,900	41,895	43,990	195,939	
Supervising Case Mgr., 11 mos.	32,265	36,000	37,800	39,690	41,675	187,430	
Pregnant Addict Outreach, 10 mos.							
(2587 Health Worker III)	20,308	24,000	25,200	26,460	27,783	123,751	
Administrative Assistant, 10 mos.	18,462	21,819	22,910	24,055	25,258	112,504	
2803 Evaluator, 10 mos., .5 FTE	20,886	22,775	23,914	25,109	26,365	119,049	
Subtotal Wages	124,075	142,594	149,724	157,209	165,071	738,673	
b. Fringe Benefits	31,019	35,649	37,431	39,302	41,268	184,669	
TOTAL PERSONNEL	155,094	178,243	187,155	196,511	206,339	923,342	
c. Travel:							
Local City	2,000	4,500	4,725	4,961	5,209	21,395	
Regional and national conferences	2,400	3,200	3,360	3,528	3,704	16,192	
TOTAL TRAVEL	4,400	7,700	8,085	8,489	8,913	37,587	
d. Equipment							
Furniture	300		0	0	0	300	
Xerox equipment lease		0	0	0	0	0	
TOTAL EQUIPMENT	300		0	0	0	300	
e. TOTAL SUPPLIES	3,000	4,500	4,725	4,961	5,209	22,395	
f. Contractual:							
Evaluation	14,000	28,700	30,135	31,642	33,224	137,701	
Women's Institute for Mental Health, Inc	98,695	122,127	128,234	134,645	141,377	625,078	
TOTAL CONTRACTUAL	112,695	150,827	158,369	166,287	174,601	762,779	
g. Construction	0	0	0	0	0	0	
h. Other:							
Childcare @ \$600/mo.	6,000	9,600	10,080	10,584	11,113	47,377	
Lab urinalysis 20 x \$6.50 x 10 mos.	1,300	2,400	2,520	2,646	2,778	11,644	
TOTAL OTHER	7,300	12,000	12,600	13,230	13,891	59,021	
I. Total Direct Charges	282,789	353,270	370,934	389,478	408,953	1,805,424	
J. Indirect Charges	21,615	25,042	26,294	27,608	28,989	129,548	
k. TOTALS a - J	304,404	378,312	397,228	417,086	437,942	1,934,972	

Item 8 - File 146-89-66

Department: Department of Public Health (DPH)
Community Substance Abuse Services

Item: Resolution to apply for, accept and expend a new grant.

Amount of Grant: \$726,836

Source of Grant: U. S. Department of Health and Human Services

Grant Period: October 1, 1989 through September 30, 1990

Project: Primary Addiction Linkages Services (PALS)

Project

Description: The proposed grant would fund a project to link primary health care to drug treatment and counseling. The intent of the project is to improve the health of persons using intravenous drugs, to lower the prevalence of intravenous drug use in San Francisco, and to reduce the spread of HIV infection precipitated by substance abuse. Services would include the expansion of primary care services and the development of substance abuse services for the City-operated Tom Waddell Clinic, and contractual services with the Bayview Hunter's Point Foundation and the Haight Ashbury Free Medical Clinic. The contracts would provide for a substance abuse counselor from the Bayview Hunter's Point Foundation to be located at the City-operated Southeast Health Center and a substance abuse counselor to be added to the Haight Ashbury Free Clinic. The project would also employ two physicians specializing in psychiatric and substance abuse medicine to train San Francisco health care professionals in addictions and to provide consultation to twenty drug treatment clinics in the City.

The contracts with the Bayview Hunter's Point Foundation and the Haight Ashbury Free Medical Clinic would be awarded on a sole source basis, due to the short time in which DPH was allowed to select the contractors. The two community agencies were selected based on their experience in providing health care and substance abuse treatment services and locations in the community.

Grant Budget: The DPH had originally applied for a grant of \$726,836. The DPH has since been notified that the grant amount to be awarded is \$600,000. The following budget reflects the actual award of \$600,000.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
 November 6 , 1989 Governmental Operations Committee Meeting

Civil Service Salaries (6.5 FTE)	\$237,597
Mandatory Fringe Benefits	68,903
Travel - Local mileage	800
Conferences - 3 Regional @ \$300 each and 4 National @ \$825 each	4,200
Medical Supplies	24,000
Contractual Services (detailed below)	
Bayview Hunters Point	\$70,808
Haight Ashbury Free Medical Clinic	114,192
Evaluation Consultant	<u>25,000</u>
Subtotal Contractual Services	210,000
Indirect Costs	<u>54,500</u>
Total	\$600,000

The budgets for the contractual services are as follows:

Bayview Hunter's Point Foundation	
Personnel (1.6 FTE)	\$ 49,600
Travel	2,000
Equipment - 3 Micro Computers and one printer	8,621
Office Supplies	3,000
Indirect Costs	<u>7,587</u>
Total	\$70,808
Haight Ashbury Free Clinic	
Personnel (2.15 FTE)	\$80,625
Travel	1,400
Equipment - 1 Micro Computer and one printer	3,200
Medical/Pharmaceutical Supplies	14,232
Office Supplies	2,500
Indirect Costs	<u>12,235</u>
Total	\$114,192
Evaluation Consultant	
Personnel	\$15,000
Computer Time	5,000
Travel	1,500
Indirect Costs	<u>3,500</u>
Total	\$25,000

Indirect Cost Rate: Approximately 10% of direct costs of \$545,500

Required Match: None

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Memo to Governmental Operations Committee
November 6 , 1989 Governmental Operations Committee Meeting

Comment: According to Dr. Sam Ho of DPH, the evaluation consultant contract would be awarded to the Institute of Health Policy Studies, UCSF, on a sole source basis, due to the unique nature of the work to be performed.

Recommendation: Amend the legislation to reduce the grant amount from \$726,836 to \$600,000 to reflect the actual grant amount to be awarded, and approve as amended.

Item 9 - File 153-89-2

Department: Department of Social Services

Item: Resolution authorizing DSS to apply for, accept, and expend the second year of a two-year grant from the State of California's Department of Social Services.

Amount: \$125,000

Source of Grant: Funds appropriated under SB 2076 and administered by the State of California Department of Social Services.

Local Match: None

Grant Period: July 1, 1990 to June 30, 1991

Description: The proposed resolution would authorize the DSS to apply for, accept, and expend a second \$125,000 grant from the State Department of Social Services to establish a pilot program under SB 2076 to recruit foster parents for HIV positive and AIDS diagnosed children up to two years of age.

In June, 1989, the Board of Supervisors approved a resolution authorizing DSS to apply for, accept and expend \$125,000 for a one-year grant for this same purpose (File 153-89-1). DSS applied for a \$125,000 grant for the one-year period. They were notified by the State DSS that the grant was being increased to \$250,000 over a two-year period. The proposed resolution would authorize DSS to apply for, accept and expend the second \$125,000 portion of the grant.

The estimated two-year budget is as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Governmental Operations Committee
 November 6, 1989

	<u>FTE</u>	<u>1989-90</u>	1990-91 this <u>request</u>
Contractual Consultant Services			
Clinical Psychologist	0.5	\$30,000	\$30,000
Project Coordinator	0.5	18,000	18,000
Program Analyst	0.25	9,000	9,000
Data Entry Clerk		1,500	1,500
Pediatric Nurse	0.5	20,000	20,000
Foster Care Consultant		3,000	3,000
Operating Costs		<u>43,500</u>	<u>43,500</u>
Totals	<u>1.75</u>	<u>\$125,000</u>	<u>\$125,000</u>

Comment: The contractual services funded by this grant will be performed by individual consultants.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 10 - File 154-89-2

1. The proposed resolution would implement the "pick up" by the City, of employee contributions to the Public Employees' Retirement System (PERS) as authorized by Section 414(h)(2) of the Internal Revenue Code.

2. Recently, the Board of Supervisors enacted an Ordinance (File 97-89-17) to amend the Administrative Code to allow the "pick up" of employee contributions to the City and County Employees Retirement System. The proposed resolution would extend the "pick up" of contributions to City employees that are members of PERS instead of the City and County Retirement System.

3. The previously enacted ordinance amended the San Francisco Administrative Code by adding Sections 16.61-1, 16.61-2 and 16.61-3. Section 16.61-1 allows the City to "pick-up" employee contributions to the City and County of San Francisco Employees Retirement System as authorized by Internal Revenue Code Section 414(h)(2). Sections 16.61-2 and 16.61-3 adopt the limitations of Internal Revenue Code Sections 401(a) and 415 required by the Internal Revenue Code in order to establish the "pick-up" employee contribution concept.

4. Until complete implementation of the "pick up" concept, in addition to the City's (employer's) contribution to the Employees Retirement System, each City employee also contributes between 7.0 percent (Miscellaneous employees) or 7.5 percent (Police and Firefighters) of the employee's gross pay to the Retirement System. However, although the employee contribution is mandatory and is computed based on gross pay, the deduction for the employee's contribution is made after the computation of Federal and State income taxes. Thus the employee pays Federal and State income tax on money that is subsequently deducted from the employee's pay as a mandatory deduction.

5. Under the "pick-up" concept, the City would designate, for the purposes of deferring income tax in accordance with the Internal Revenue Code, that the employee contribution is the employer contribution and, therefore, not subject to taxation (income tax) when the contribution is made. Instead, the employee's contribution (now considered the employer's contribution) would be subject to taxation when paid to the employee as a retirement benefit after the employee has retired.

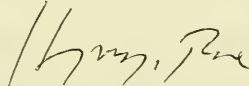
6. The result of the "pick-up" of the employee's contribution is an increase in the employee's take-home pay and no financial liability to the City. The employee's income tax liability is deferred to a later date at the time of retirement.

Comment

Mr. Kieran Murphy of the Employees Retirement System states that the proposed resolution to extend the "pick up" concept to PERS members will not result in any additional cost to the Employees Retirement System. Mr. Murphy indicates that only minimal, new administrative costs will result from the proposed amendments.

Recommendation

Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Hsieh
Supervisor Alioto
President Britt
Supervisor Hallinan
Supervisor Hongisto
Supervisor Kennedy
Supervisor Maher
Supervisor Nelder
Supervisor Walker
Supervisor Ward
Clerk of the Board
Chief Administrative Officer
Controller
Carol Wilkins
Stacy Becker
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Memo to Governmental Operations Committee
November 6, 1989 Governmental Operations Committee Meeting

ATTN: Gerry Roth

REVISED

Item 6 - File 146-89-64

Department: Department of Public Health (DPH)
AIDS Office

DOCUMENTS DEPT.

Item: Accept and expend a State allocation

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Amount of Allocation: \$600,000

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Source of Allocation: State Department of Health Services

Term of Allocation: October 1, 1989 to December 31, 1989

Project: AIDS Drug Program (Formerly AZT Drug Program)

Description: The proposed grant would fund the AIDS Drug Program to provide AZT and aerosolized pentamidine, which are AIDS drugs, to non-MediCal-eligible low-income persons who have a valid prescription for the drug from a licensed physician and who meet the income eligibility criteria. DPH estimates that approximately 210 patients would be served for three months with these funds.

Budget: Clinical Supplies (medicine) \$600,000

Required Match: None

Indirect Cost: None

Comment: The previous allocation amount for the AIDS Drug Program was \$2,735,553 for the 22.5 month period from August 17, 1987 through June 30, 1989. According to the most current information provided by Mr. Michael Bala of DPH, the \$600,000 available for the period October 1, 1989 to December 31, 1989, is based on funding that is currently available from the State. Mr. Bala reports that the number of AIDS Drug Program clients has been increasing since the beginning of the program and is expected to continue to increase. Mr. Bala indicates that DPH will be requesting additional funds for this program from the State for the period beyond December 31, 1989.

Recommendation: Approve the proposed resolution.

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Actions Taken

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GOVERNMENTAL OPERATIONS COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

MONDAY, NOVEMBER 6, 1989 - 10:00 A.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, HSIEH, ALIOTO

CLERK: GAIL JOHNSON

- 1. File 64-89-33. [Lease of Real Property] Resolution authorizing lease of real property at 1155 Market Street, for Controller's Office, Information Services Division (ISD). (Real Estate Department)
(Continued from 10/16/89)

ACTION: Amended on line 9, by replacing "tenth" with "ninth". Recommended as amended.

- 2. File 40-89-12. [Parking of Vehicles] Resolution extending boundaries of Residential Permit Parking Area "O" in the West Portal/Saint Francis Wood area and adding Nineteenth, Twentieth, Twenty-First, and Twenty-Second Avenues (between Taraval and Ulloa Streets), to the list of streets upon which time limitations shall apply. (Department of Public Works)
(Continued from 10/23/89)

ACTION: Amended on page 3, line 7, by adding Further Resolved clause as follows:
"FURTHER RESOLVED, That the City and County of San Francisco is currently reviewing and analyzing its residential permit parking regulations. This review and analysis may result in recommended changes to the City's current residential permit parking regulations, including changes to Area 'O' and the extension approved by this resolution. This extension of the 'O' boundaries is approved to provide at least temporary residential parking privileges for the affected neighborhood."
Recommended as amended.

- 3. File 34-89-8. [Regulating Width of Sidewalk] Ordinance amending Ordinance No. 1061 entitled "Regulating the Width of Sidewalk" by adding thereto Section 1499 changing the official width of sidewalk on various streets within the South Beach Redevelopment Project Area; and adopting findings pursuant to City Planning Code Section 101.1. (Department of Public Works)

ACTION: Amended on page 1, at the end of line 4, by adding "and adopting findings pursuant to City Planning Code Section 101.1". Recommended as amended.

- 4. File 68-89-12. [Gang Prevention Grant] Resolution authorizing the Mayor of the City and County of San Francisco to apply for, accept and expend funds in the amount of \$822,029 made available through the Department of Health and Human Services for a project entitled "San Francisco Gang Prevention Program" and agreeing to provide in kind match in the amount of \$357,850. (Mayor)

ACTION: Recommended.

5. File 82-89-9. [Grant of Easement] Ordinance authorizing grant of a 1.028 acre storm drain easement over Water Department Parcel 69 in Alameda County to the Alameda County Flood Control and Water Conservation District. (Real Estate Department)

ACTION: Recommended.

6. File 146-89-64. [Grant - State Funds] Resolution authorizing the Department of Public Health, AIDS Office, to accept and expend a grant of \$600,000 from the California Department of Health Services to continue funding of the AIDS Drug Program (formerly the AZT Drug Program). (Mayor)

ACTION: Recommended.

7. File 146-89-65. [Grant - Federal] Resolution authorizing the Department of Public Health, Community Substance Abuse Services to apply for, accept and expend a grant up to the amount of \$1,934,972 from the United States Department of Health and Human Services, Alcohol, Drug Abuse and Mental Health Administration, Office of Substance Abuse Prevention for support, outreach and substance services for pregnant and postpartum women. (Mayor)

ACTION: Recommended.

8. File 146-89-66. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Substance Abuse Services to apply for, accept and expend a grant up to the amount of \$726,836 from the U.S. Department of Health and Human Services/Health Resource Service Administration for integrated community based primary alcohol and drug treatment services. (Mayor)

ACTION: Amended on lines 4 and 10, by replacing "\$726,836" with "\$600,000". Recommended as amended. New title: "Authorizing the Department of Public Health, Community Substance Abuse Services to apply for, accept and expend a grant up to the amount of \$600,000 from the U.S. Department of Health and Human Services/Health Resource Service Administration for integrated community based primary alcohol and drug treatment services."

9. File 153-89-2. [Grant - State Funds] Resolution authorizing the Department of Social Services to apply for, accept and expend a second \$125,000 grant from the State Department of Social Services for the second year of a pilot project established under SB 2076 to recruit foster parents for HIV Positive and AIDS diagnosed children up to two years of age. (Department of Social Services)

ACTION: Recommended.

10. File 154-89-2. [Public Employees' Retirement System] Resolution implementing the "pick-up" of employee contributions to the Public Employees' Retirement System as authorized by Section 414(h)(2) of the Internal Revenue Code. (Supervisor Britt)

ACTION: Recommended.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

November 9, 1989

DOCUMENTS DEPT.

TO: Governmental Operations Committee

NOV 14 1989

FROM: Budget Analyst

SAN FRANCISCO
PUBLIC LIBRARY

SUBJECT: November 13, 1989 Governmental Operations Committee Meeting

Item 1 - File 93-89-18.1

Note: This item was continued by the Finance Committee at its meeting of October 23, 1989. Because of voter disapproval of Proposition P, it appears that the City will be unable to perform its obligations under the Memoranda of Understanding between the City and the Giants and between the City and Spectacor.

The proposed resolution would declare that the policy of the Board of Supervisors is not to approve appropriations of City funds to implement the Memoranda of Understanding between the City and County of San Francisco and the Giants and the City and County of San Francisco and Spectacor Management Group unless the following changes are included in the Memoranda of Understanding:

1. The Memoranda shall define clearly "net cash flow" as used to calculate the City's share of revenue from ballpark income.
2. The Memoranda shall include an explanation of operations and use of Candlestick Park as it relates to Item 17, Conflict of Interest and Non-Competition, in the Spectacor MOU, and the City's limitations in its operation of Candlestick Park on a year round basis.
3. The Memoranda shall include a plan adopted by the Recreation and Parks Commission to maintain Candlestick Park year round so as to prevent it from becoming derelict.

Memo to Governmental Operations Committee
October 23, 1989 Governmental Operations Committee Meeting

4. The Memoranda shall include a clarification and particulars regarding the availability of the suggested 7th Street site for arena development.
5. The Memoranda shall include a detailed analysis provided by the Mayor of services that will not be the obligation of the City to provide, but will be provided by other parties.
6. The Memoranda shall identify any reduction of public services that will result due to the commitment of City resources to the downtown ballpark project.
7. The Memoranda shall call for each of three parties to share in the cost of any toxic clean-up that may be necessary at the ballpark site.
8. The Memoranda shall include a commitment that parking facilities required to be constructed by the provisions of the Memoranda shall be constructed and operated without any subsidies from the City's parking tax revenues.
9. The Memoranda shall include an agreement that Spectacor agrees to conduct its business operations at the Ballpark and Arena in accordance with the City's Women and Minority Business Enterprise Ordinance.
10. The Memoranda shall include agreements that Spectacor, the Giants, and the City shall share the cost of:
 - a) providing pedestrian overpasses for the downtown ballpark project;
 - b) mitigation resulting from the Environmental Impact Report process;
 - c) grading the parcel of land proposed for the ballpark;
 - d) the installation of vehicular and pedestrian traffic controls;
 - e) litigation expenses related to the downtown ballpark project.

Comments

1. If the proposed amendments to the MOU with the Giants and Spectacor specified in this resolution are enacted, then substantial savings to the City can be realized if identified costs are shared equally. For example, the City's estimated costs for toxic cleanup may be reduced from an estimate of \$2.0 million to approximately \$670,000 (one-third). If the costs for pedestrian overpassings are shared, the City's cost, assuming no State or Federal subventions, could be reduced from an estimated \$6.0 to \$7.0 million to \$2.0 to approximately \$2.4 million.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Other savings that would be achieved cannot be estimated at this time since the costs are not known. These savings would result from no provision of subsidies to the parking facility, sharing of environmental impact mitigation costs, grading of the parcel, installation of vehicular and pedestrian parking controls and future litigation expenses.

3. The Budget Analyst believes that the proposed resolution would be beneficial to the City from a cost savings standpoint.

Recommendation

Approve the proposed resolution.

Item 2 - File 93-89-18

Note: This item was continued at the October 23, 1989 Governmental Operations Committee meeting. Because of voter disapproval of Proposition P, it appears that the City will be unable to perform its obligations under the Memoranda of Understanding between the City and the Giants and between the City and Spectacor.

This item is a hearing to consider the Memoranda of Understanding (MOUs) between the City and the San Francisco Giants, and between the City and Spectacor Management Group.

On July 27, 1989, the Mayor signed separate MOUs with the San Francisco Giants and Spectacor Management Group regarding the implementation, financing and operation for a proposed new "downtown" ballpark. The proposed ballpark is currently planned to be a 45,000 seat facility located on a 12.5 acre site bounded by King Street on the north, Second Street on the east, Third Street on the west and China Basin on the south. The MOU with Spectacor also addresses, although in more general terms, a proposed arena, currently planned to be developed by Spectacor and located at Seventh and Townsend Streets.

As noted in these MOUs, the Mayor is not authorized to bind the City to these MOUs. Rather, the Mayor by signing these MOUs, has represented that he will use his Office to secure the necessary approvals in order to perform the obligations identified in these MOUs. It should also be noted that a separate MOU has been signed between the San Francisco Giants and the Spectacor Management Group. However, neither the Giants nor Spectacor have made their MOU available to the public.

The specific obligations of the MOU between the City and County of San Francisco and Spectacor Management Group are as follows:

City and County of San Francisco

Spectacor

- | | |
|---|--|
| <p>1. Acquire Site and prepare into a Developable Condition, which includes:</p> <ul style="list-style-type: none">(i) Title search(ii) Legal descriptions(iii) Topographic Surveys(iv) Property Acquisition(v) Demolition of Existing Structures(vi) Relocate Occupants(vii) Toxics - Investigation & Clean-up(viii) Site Clearance and Grading(ix) Relocate Utilities and Install to Curb(x) Relocate and Construct Roadways(xi) Zoning and Land Use Approval | <p>1. Design, develop and construct ballpark
(estimated cost of \$95.88 million)</p> |
|---|--|

City and County of San Francisco

Spectacor

- | | |
|--|--|
| 2. Pay for increased costs due to City's requested changes in design and construction. | |
| 3. Pay 1/2 of additional \$20 million cost over \$95.88 million projection | 2. Pay 1/2 of additional \$20 million cost over \$95.88 million projection |
| 4. Loan Spectacor - \$10 million (\$1 million/yr. for 10 years @ 7.5% interest due only if lease extended after 40 yrs.) | 3. Pay all costs over \$115.88 million (\$95.88 million plus \$20 million) |
| 5. Pay Spectacor \$20 (\$2 million/yr for 10 years | 4. Repay City \$10 million @ 7.5% interest if ballpark operating permit is extended 26 years after initial 40 yr. lease |
| 6. Assist Spectacor to obtain/issue \$50 million revenue bonds | 5. Pay City 20% of "net cash flow" from ballpark |
| 7. Lease ballpark to Spectacor for 40 yrs. | 6. Pay all expenses associated with cost of \$50 million bond issue |
| 8. Provide security outside ballpark | 7. Exclusive right to develop ballpark at site until December 31, 1995 or 3 years after Giants departure from Candlestick Park |
| 9. Exempt and reimburse property/possessory interest taxes | 8. Pay for uniformed police inside ballpark @ 172% of straight-time hourly rate for events other than baseball |
| 10. Exempt ballpark from admissions or ticket taxes | 9. Pay normal and usual taxes |
| 11. Avoid competition in pricing or scheduling events at Candlestick with the ballpark | 10. Enter into sublease with Giants |
| 12. Will not support development of any project similar to ballpark during term of lease | 11. Carry insurance coverage on ballpark |
| | 12. Unrestricted right to sell and display advertisements at ballpark |

City and County of San Francisco

13. Expedite and minimize cost of and applications, approvals, and environmental assessments
14. Lease arena to Spectacor for 40 years
15. Exempt arena from admissions or ticket taxes
16. Provide security outside arena
17. Will not support development of any project similar to arena during term of lease

Giants

13. Set the pricing of all ballpark events related activities (i.e., rents, concessions, admissions, etc.)
14. Selection of all contractors to construct and operate ballpark and Arena at sole discretion of Spectacor
15. Develop and construct arena
16. Pay City \$1-/yr for rent of arena
17. Pay 10% of net cash flow of arena (in yrs. 15-40)
18. Carry insurance on arena
19. Unrestricted right to sell and display advertisements on arena
20. Set pricing of all arena events and related activities (i.e. rents, concessions, admissions, etc.)
21. Exclusive right to develop arena for five years from date City provides Arena site, or if alternative site, until December 31, 2003

The specific obligations of the MOU between the City and County of San Francisco and the San Francisco Giants are as follows:

City and County of San Francisco

1. Pay any difference between police costs paid by Giants (straight-time plus administrative costs) and true costs of police inside ballpark
2. Lease ballpark to Giants if Spectacor does not maintain lease for 40 years
3. Develop and construct 1,500 car parking structure
 - (i) 200 spaces provided free to Giants

Giants

Pay for off-duty San Francisco Police @ straight time plus administrative costs

City and County of San Francisco

Giants

- (ii) 800 additional spaces
 - (a) For luxury boxes (charge to be determined later)
 - (b) Remainder free for media, VIP's, etc.
- 4. Provide 13,500 additional parking spaces for night games and 7,000 spaces for day games
- 5. Traffic and Transit Improvements
 - (i) Embarcadero Parkway
 - (ii) MUNI/Metro Turnback, Extension and Station
 - (iii) MUNI F line
 - (iv) Traffic improvements
 - (v) Pedestrian improvements
- 6. Prepare operations plan for traffic and traffic control near ballpark
- 7. Study impact of new neighboring construction on wind and sunlight, and on parking - mitigate any impacts
- 8. Provide legal defense for Giants, at their request, in any challenge or action involving the proposed ballpark

Under the provisions of the MOU between the City and Spectacor, Spectacor is excused from performance of the terms of the MOU if any of the various milestone events set forth in the MOU between the City and the Giants are not satisfied by specified dates. Correspondingly, the City at its option, may be excused from performance if Spectacor does not perform eight separate milestone events by stated deadlines beginning October 1, 1989, by providing an artist's rendering of the ballpark and ending with the commencement of the ballpark's construction on January 31, 1993.

Under the provisions of the MOU between the City and the Giants, the Giants may be excused from the MOU (1) if the City under the California Environmental Quality Act, requires modifications or alternatives to the proposed ballpark which are unacceptable to the Giants; (2) if the City fails to take necessary actions or obtain necessary approvals required to complete the ballpark project; or (3) if the City fails to adopt an ordinance amending the Giants' existing Candlestick Park lease by October 3, 1989. Amendment of the Giants existing Candlestick Park lease was approved by the Board of Supervisors on October 10, 1989 (File 65-89-5). The specific milestones contained in the MOU with the Giants are included in the Budget Analyst's report on that item.

Comments

1. As requested by the Board of Supervisors, the Budget Analyst has prepared a separate report on the downtown ballpark and arena proposals, including an assessment of the City's costs, the economic impact created by the San Francisco Giants on the City of San Francisco and an analysis of the reasonableness of the projected costs and revenues to the City and County.

2. At the October 10, 1989 Governmental Operations Committee meeting, the Controller was directed to respond to the Committee regarding the Mayor and the Budget Analyst's reports on the financial implications of the ballpark in relation to the information provided in the Proposition P ballot document. The Budget Analyst met with the Controller and a representative from the Mayor's Office to discuss these issues. The Controller responded to the Committee on October 16, 1989. A copy of the Controller's response is attached. As of the writing of this report, the Budget Analyst and the Mayor's Office still have significant differences in their fiscal analyses of the downtown ballpark.

3. The Governmental Operations Committee questioned how many years will pass before the City begins realizing a positive cash flow on the ballpark investments. In the eleventh year of the financial projections, the City's obligations to contribute \$2.0 million annually to ballpark operations and loan \$1.0 million annually to Spectacor will end. At this point, beginning in year eleven, the City's net cash flow will become positive.

City and County of San Francisco

Office of Controller



October 16, 1989

Supervisor Jim Gonzalez
 Supervisor Tom Hsieh
 Supervisor Angela Alioto
 Board of Supervisors
 Room 235 - City Hall
 San Francisco, California 94102

Dear Supervisors:

The Government Operations Committee has requested that the Mayor's office, the Budget Analyst and the Controller meet and attempt to reconcile differences regarding the cost benefit analysis of the proposed new ballpark. The Controller has previously prepared and submitted on August 10, 1989 a cost analysis of the ballpark for inclusion in the voters handbook.

In the opinion of the Controller that analysis is still correct and applicable to the ballpark ballot measure.

However, the Mayor's office has prepared a cost/benefit analysis of the proposed ballpark dated October 2, 1989. This analysis provides additional definitions and assumptions to the general terms of the original Memorandum of Understanding between the Mayor and the developer.

On October 12, 1989, the Mayor's office, Budget Analyst and Controller met to review the assumptions and calculations prepared by the Mayor's office and the Budget Analyst in an effort to reach concensus on the calculations.

Consensus was reached on all but the following item:

Nominal Value Difference

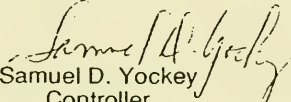
Land Assembly - Payment to Port

\$7,000,000

These are relatively minor differences given the dollar magnitude of the costs and benefits and the forty (40) year life span of the project.

In my opinion, the assumptions and the resulting cost/benefit calculations for the Expected Case, Best Case, and Worst Case are reasonable with the above minor exception.

Sincerely,


 Samuel D. Yockey
 Controller

1014-WPPPADM

cc: John Taylor - Board of Supervisors
 Budget Analyst - c/o Board of Supervisors
 Carol Wilkins - Mayor's Office

Item 3 - File 97-89-45

Note: This item was continued by the Governmental Operations Committee at its meeting of October 30, 1989.

Department: Public Works
Purchasing

Item: The proposed ordinance would amend Chapter 6 and Chapter 21 of the City's Administrative Code by adding Sections 6.29.-1., 6.29.-2., 21.11.-1. and 21.11.-2. to raise from \$50,000 to \$10 million the threshold level under Charter Section 7.200 which prescribes procedures for the award of public works and purchasing contracts. Contracts in excess of \$10 million would be awarded in accordance with the provisions of Charter Section 7.200 except that the provisions of Chapter 12D of the Administrative Code, relating to Minority/Women/Local Business preferences would not be applicable.

Description: Presently, Charter Section 7.200 sets the level, currently at \$50,000 or above, which establishes the requirements for the award to outside contractors of public works and purchasing contracts in lieu of accomplishing the work on an in-house Civil Service basis. However, the Board of Supervisors has authority to increase or decrease the threshold level by ordinance. For contracts below \$50,000, the work can be completed directly by the City's in-house Civil Service staff.

For expenditures in excess of \$50,000, the contracts must be competitively awarded to the lowest responsible and reliable bidder. Contracts for the purchase of supplies must be signed by the Purchaser of Supplies and the Chief Administrative Officer. Public works contracts must be signed by the department head and the Chief Administrative Officer or by the signature of the department head and the approval by resolution of the board or commission concerned for departments not under the Chief Administrative Officer.

The proposed ordinance would raise the threshold level for Charter Section 7.200 from \$50,000 to \$10 million and require that construction and purchasing contracts in excess of \$50,000 and less than \$10 million be awarded in accordance with the provisions of Charter Section 7.200 and the appropriate sections of the Administrative Code, including Chapter 12D. Presently, all contracts are subject to the MBE/WBE/LBE provisions of Chapter 12D. However, under the proposed legislation, construction and purchasing

BOARD OF SUPERVISORS
BUDGET ANALYST

contracts in excess of \$10 million would not be applicable to the MBE/WBE/LBE preference provisions of Chapter 12D.

Comments:

1. According to Ms. Mara Rosales of the City Attorney's Office, the proposed ordinance is necessary to answer legal questions raised by recent court decisions. The proposed ordinance would make explicit the applicability of the Chapter 12D MBE/WBE/LBE preference provisions for contracts between \$50,000 and \$10 million and would make contracts over \$10 million exempt from the Minority/Women/Local Business preferences contained in Chapter 12D of the Administrative Code.

2. The enactment of this proposed ordinance would have little affect on the ability of MBE/WBE/LBE firms to compete for City contracts since, according to Mr. Gerald Costanzo of the Department of Public Works, only one of the City's 96 construction contracts since July 1, 1988 exceeded \$10 million. According to Jim Breslin of the Purchasing Department, of the \$300 million in purchasing contracts awarded over the last four years, no individual contract has exceeded \$10 million.

3. At the October 16, 1989 Governmental Operations Committee meeting, the Committee amended the proposed legislation to clarify that the raising of the threshold level from \$50,000 to \$10 million should not change the requirement that public works and purchasing contracts in excess of \$50,000 be competitively bid.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 4 - File 97-89-20

Note: This item was continued at the October 10, 1989, Governmental Operations Committee meeting.

Item: Ordinance to amend the Administrative Code by adding Chapter 12G relating to the award of subcontracts by City prime construction contractors to small minority and small women business enterprises (SMBE/SWBE).

Description: 1. Based on the United States Supreme Court's decision in City of Richmond v. Croson, the City Attorney in February, 1989, advised departments and contracting awarding authorities to implement a race- and gender-neutral subcontracting program in place of the then existing race- and gender-conscious program, because the statistical basis for the latter had not been a part of the development of the original MBE/WBE/LBE Ordinance.

2. The Board of Supervisors adopted Ordinance No. 175-89, the MBE/WBE/LBE II Ordinance, on May 22, 1989. That Ordinance, which was subsequently signed into law, contains provisions limiting the application of race- and gender-conscious prime contracting remedies to narrowly defined contracting categories. Those contracting categories have been shown to have a statistically significant variance from the amount of contracting dollars that would be expected to go to minorities and women, based on the availability of such firms in particular contracting categories.

3. The proposed ordinance contains the following five findings with respect to the subcontracting practices of the City's prime contractors, based on oral and written testimony submitted in the MBE/WBE/LBE II Ordinance hearings, the 1983 and 1989 reports of the Human Rights Commission, the 1989 reports of the Budget Analyst, the 1989 report of BPA Economics, Inc., and relying upon the Board's knowledge about the City's compliance with the small minority and small women business contracting program:

a. The evidence before the Board reflecting that small minority and small women owned businesses are receiving City construction subcontracting dollars that are comparable to the availability of such businesses merely reflects that prime contractors competing for City construction contracts were complying with the City's SMBE/SWBE subcontracting program during FY 1987-88.

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- b. The weight of the testimony and other evidence before the Board indicates that nonminority construction contractors doing business with the City systematically exclude qualified SMBE/SWBE firms from subcontracting opportunities.
 - c. Race- and gender-neutral measures employed by the City since February 1989 have not prevented the City from being a passive participant in the systematic discrimination against SMBE/SWBE firms.
 - d. Unless the City takes positive steps to prevent discrimination against SMBE/SWBE firms by the City's prime contractors, the City will become a passive participant in the system of racial- and gender-based exclusion practiced by the City's prime construction contractors.
 - e. The City's SMBE/SWBE subcontracting program for construction contracts must be continued to prevent the City from once again becoming a passive participant in the systematic exclusion of SMBE/SWBE firms from subcontracting opportunities on City construction contracts.
4. The proposed ordinance contains the following provisions with respect to the policy, scope, definitions, powers and duties of the HRC and its Director, powers and duties of contract awarding authorities, SMBE/SWBE participation goals, monitoring and reporting, compliance, review and implementing instructions:
- a. Policy: The City will rely on the relationship between the percentages of SMBE/SWBE firms in the relevant business community sector and their respective shares of City subcontract dollars as a measure of the effectiveness of this proposed ordinance.
 - b. Scope: The ordinance would apply only to the award of subcontract dollars by the City's prime construction contractors.
 - c. Definitions: Although the wording may be slightly different on a few of the definitions because of the emphasis on subcontracting as opposed to prime contracting, with the following exceptions, the definitions section is a subset of the definitions section of the MBE/WBE/LBE Ordinance II:

BOARD OF SUPERVISORS
BUDGET ANALYST

- (1) Back Contracting;
- (2) Economically Disadvantaged;
- (3) Small Minority Business Enterprise (SMBE);
- (4) Small Women Business Enterprise (SWBE);
- (5) Small Woman/Minority Man Business Enterprise (SW/MBE);
- (6) Subcontractor.

d. Powers and Duties: The Human Rights Commission would have the following powers and duties:

- (1) Data collection, analysis and reporting;
- (2) Levying sanctions;
- (3) Amending existing rules and regulations establishing standards and procedures for administering the ordinance.

e. The Director, Human Rights Commission, in addition to the duties and powers given elsewhere, would certify businesses as bona fide SMBE/SWBE firms and be responsible for providing information and assistance to SMBE/SWBE firms.

f. City Departments or Contract Awarding Authorities would have the following powers and duties:

- (1) Impose such sanctions or take such other actions as are designed to ensure compliance with the provisions of the ordinance;
- (2) Not award any contract to a person or business who or which is disqualified from doing business with the City under the provisions of the ordinance.

g. All construction contracts would include the following requirements:

- (1) Require, where subcontracting is utilized, that the bidder demonstrate every "good faith effort" to subcontract with SMBE/SWBE firms;
- (2) Require a signed notarized statement declaring the intention to fully comply with the provisions of the Ordinance;

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- (3) Incorporate the Ordinance by reference and provide that the failure of any bidder, contractor, or subcontractor to comply with any of its requirements shall be deemed a material breach of contract;
- (4) Incorporate liquidated damages provisions;
- (5) Specify the continuing responsibilities of prime contractors during the term of the contract with respect to fulfilling SMBE/SWBE participation commitments, good faith efforts to utilize SMBE/SWBE firms, urging subcontractors to utilize SMBE/SWBE firms, and maintaining records necessary for monitoring compliance with the provisions of the Ordinance.
- (6) Specify that whenever contract amendments are made which cumulatively increase the total dollar value of the contract by more than ten percent, the contractor shall comply with those SMBE and SWBE provisions of the Ordinance that applied to the original contract with respect to the amendment.
- (7) Prohibit "back contracting" to the prime contractor or higher tier subcontractor for any purpose inconsistent with the provisions of the Ordinance.

h. SMBE and SWBE participation goals:

- (1) Contracts for construction, the estimated cost of which exceeds \$50,000, would be awarded in accordance with the following standards and procedures:
 - (a) The Director, HRC, would set the SMBE and SWBE participation goals based on the degree to which such goals would contribute to increasing the participation of SMBEs and SWBEs in City contracts, the level of participation of SMBEs and SWBEs in contracts awarded by other governmental agencies in San Francisco, and the availability of SMBEs and SWBEs that are capable of performing the services required.
 - (b) Bids and proposals shall identify the particular SMBE/SWBE firms to be utilized in performing the contract, specifying for each the dollar value of the participation, the type of work to be performed, and

such information as may reasonably be required to determine the responsiveness of the bid or proposal.

(c) During the term of the contract, any willful failure to comply with the levels of SMBE/SWBE participation identified in the bid or proposal shall be deemed a material breach of contract.

(d) A contracting awarding authority or a department may request the Director to waive the requirements with respect to this section, or to reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the Director prior to solicitation of bids or proposals. A contractor may request the contracting awarding authority or department to waive or reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the contract awarding authority at the time of the bid or proposal. The Director or the contract awarding authority, as the case may be, shall grant such a waiver or reduction of the SMBE/SWBE goal based on the nature of the work or availability of qualified SMBE/SWBE firms capable of performing the work.

i. Monitoring, Reporting, and Compliance: The requirements and responsibilities covering this subject are essentially the same as those in the MBE/WBE/LBE II Ordinance.

j. Review: The Commission shall review and report to the Board of Supervisors, the Chief Administrative Officer, and the Mayor annually on the extent of SMBE and SWBE participation in City prime construction contracts. If in the opinion of the Commission, the objectives of the Ordinance have been achieved in whole or in part, the Commission shall recommend to the Board of Supervisors that those sections be repealed. The Ordinance shall expire three years from its effective date unless extended by the City.

k. Implementing Regulations: The HRC shall, within 30 days of the enactment of this Ordinance, establish appropriate amendments to the rules, regulations, and procedures adopted and promulgated by the HRC pursuant to Ordinance 139-84. The public and affected agencies shall have the opportunity to provide input to and comment on the amendment to the regulations prior to their formal adoption. The rules and regulations shall

BOARD OF SUPERVISORS
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provide for administrative procedures that allow a prime construction contractor to establish that the Ordinance's remedial measures should not be applied to the construction industry at the time that SMBE/SWBE participation in construction contracts has reached parity with the available number of SMBE/SWBE firms in the relevant business community and SMBE/SWBE firms no longer suffer from a competitive disadvantage in the construction industry.

Comments:

1. The proposed Ordinance is in a first draft form.
2. Findings one (point 3a.) and two (point 3b.), which are concerned with the degree of participation SMBE/SWBE firms have experienced in construction contracting in the City, as reflected in testimony before the Board of Supervisors, appear to be contradictory. Finding one states that evidence before the Board shows that SMBE/SWBE firms are awarded subcontract dollars that are comparable to the available numbers of SMBE/SWBE firms in the relevant market. Finding two states that evidence presented to the Board reflects that nonminority construction contractors competing for or doing business with the City systematically exclude qualified SMBE/SWBE firms from subcontracting opportunities on City construction contracts.

Recommendation: Approval of this proposed ordinance is a policy matter for the Board of Supervisors.

Item 7 - File 154-89-1

Note: This item was continued by the Governmental Operations Committee at its meeting of August 28, 1989.

1. This item is a hearing to consider authorizing (by Board of Supervisors Resolution) an actuarial study to be performed on the costs of amending the existing contract between the City and the State Public Employees Retirement System (PERS) to allow certain Airport Police, Housing Authority Police and Institutional Police employees to be entitled to "2% at 50" retirement benefits instead of "2% at 55" which they are currently entitled to. ("2% at 50" means a retiring employee would receive retirement benefits at age 50 equal to two percent of the employee's final salary multiplied by the number of years of employment.)

2. Airport Police, Housing Authority Police and Institutional Police are currently members of the PERS under the "2% at 55" benefit plan. No Social Security costs are incurred for these employees, who contribute 9% of their pay (employee contribution) to PERS. Deputy Sheriffs are members of the "2% at 50" benefit plan and contribute 7.5% of their pay (employee contribution) to PERS.

3. Charter Section 8.506-2 which authorized the Airport Police, Housing Authority Police and Institutional Police to transfer from the City's Employees Retirement System to PERS contains a requirement that this transfer will result in no net increase in cost to the City. However, according to Mr. Kieran Murphy, Actuary for the City's Employees Retirement System, PERS has informed the City that to move the Airport Police, Housing Authority Police and Institutional Police from the "2% at 55" plan to the "2% at 50" plan, the rate of the City's (employer's) contribution for retirement benefits for all existing and new employees in the "2% at 50" plan would increase by approximately 2.7% from 19.14% to 21.84%. This conversion would cost the City approximately \$650,000 per year according to Mr. Murphy.

Item 8 - File 64-89-37

Departments: Real Estate Department
Public Utilities Commission (PUC)

Item: Resolution authorizing a new lease of real property for the Public Utilities Commission

Location: 100 McAllister Street (five rooms on the 4th floor)

Purpose of Lease: To provide expanded office space for the Office of Safety and Health and the Manager, Bureau of Claims and Contracts.

Lessor: University of California, Hastings College of the Law

of Sq. Ft. and Cost/Month: 1,565 sq. ft. @ \$0.96 per square foot = \$1,500 per month

Annual Cost: \$18,000

Utilities and Janitor Provided by Lessor: Yes

Term of Lease: The proposed lease would commence on the date this legislation is approved by the Board of Supervisors and would continue thereafter on a month-to-month basis until terminated by either party upon thirty (30) days advance written notice.

Source of Funds: Funds are appropriated in the Public Utilities Commission's operating budget for 1989-90.

Comments: 1. The Office of Safety and Health and the Manager, Bureau of Claims and Contracts, with a combined staff of five positions, shared approximately 450 square feet of office space in Room 283 and a portion of Room 287 in City Hall. Ms. Deborah Rohrer of the PUC reports that this space is no longer adequate because of the Department's plans to fill six additional vacant positions in the Office of Safety and Health. One of these six positions, an Industrial Hygienist, has already been hired. The other five positions, an Associate Civil Engineer, a Sr. Industrial Hygienist, an Industrial Hygienist and two Assistant Safety Officers will, according to Ms. Rohrer, be hired by approximately July 1990. All six positions were approved in the Department's 1988-89 budget. These six new positions together with the five existing filled positions would all be located in the proposed new space at 100 McAllister Street. Ms. Rohrer reports, that due to overcrowding, the five existing

BOARD OF SUPERVISORS
BUDGET ANALYST

positions, and the recently hired Industrial Hygienist, have already been moved from City Hall and are occupying a portion of the office space (two of five rooms) at 100 McAllister Street. According to Mr. Phil Aissen of the Real Estate Department, the Director of Property authorized the occupancy of this office space on an interim basis, for a monthly rental of \$500, until such time as the Board of Supervisors approved the proposed lease at 100 McAllister Street which is the subject of this report. Section 23.19 of the Administrative Code authorizes the Director of Property to execute a month-to-month lease on behalf of the City, where the rental to be paid is \$500 or less per month. The 450 square feet of space currently available at City Hall would be used for staff of the PUC General Manager's Office.

2. The Real Estate Department reports that the proposed rental amount of \$1,500 per month represents the fair market rental of the space to be leased.

Recommendations: Approve the proposed resolution.

Item 9 - File 65-89-8

Department: Airports Commission

Item: Resolution approving a seven-year Public Lockers and Over-the-Counter Baggage Storage Lease between Amlock, Inc. and the City Attorney by and through the Airports Commission.

Description: With the proposed seven-year lease agreement, Amlock, Inc. would provide and maintain a minimum of 400 public lockers located throughout the Airport, and the Airport would provide 1,035 square feet of space for an Over-the-Counter Baggage Storage service located in the South Connector between the South and International Terminals at the Airport. The Over-the-Counter Baggage Storage is a place where the public may store over-sized items such as bicycles. The lease would begin 90 days after approval of the lease by the Mayor. The proposed lease would provide that Amlock pay an annual rent to the Airport of either 65 percent of gross revenues from the lockers and 25 percent of gross revenues from the over-the-counter storage, or a minimum annual rent, whichever is greater.

The Airports Commission received two bids, one of which was disqualified because the bid did not fulfill the selection criteria. The remaining bidder, Amlock, Inc., which has the present lease for these services, offered a bid of a minimum annual rent of \$213,636, or a total of \$1,495,452 over the seven-year term of the lease. Under the current lease agreement, the Airport collects \$160,000 from Amlock Inc. which is 65 percent of gross revenues from the lockers and 25 percent of gross revenues from the over-the-counter storage. The minimal annual rent under the existing lease is \$63,000. Under the new lease agreement, the Airport anticipates collecting the minimum annual rent of \$213,636, which is \$53,636 more than the \$160,000 currently collected.

Comment: The Human Rights Commission has approved Amlock, Inc.'s affirmative action hiring plan.

Recommendation: Approve the proposed lease.

Item 10 - File 89-89-8

1. The proposed resolution would authorize employees in various classifications to enroll in the State Disability Insurance (SDI) Program. The cost of SDI coverage would be paid by the employees through normal payroll deductions. The proposed legislation would not involve significant cost to the City as the Controller's payroll/personnel system is programmed to include this deduction.

2. SDI pays disability benefits to employees who suffer a non-industrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is 0.9% of the first \$21,900 of gross salary for each employee (maximum of \$197.10 annually). While SDI coverage is mandatory for all employees within bargaining units enrolled in the SDI program, it is not mandatory that employee classifications which are not represented by a bargaining unit be included in the SDI program unless a majority of employees within the classification requests coverage.

3. The following classifications which are not represented by a bargaining unit would be authorized to enroll in the State Disability Program under this proposed ordinance.

<u>Position</u>	<u>Classification</u>	<u>No. of Employees</u>
7395	Ornamental Iron Worker	9
9342	Ornamental Iron Worker Supervisor I	1
1813	Retirement Analyst	4

4. The Employee Relations Division (ERD) reports that it has received letters requesting coverage signed by the majority of the employees in the 1813 Retirement Analyst classification.

Comments

The Board of Supervisors has previously authorized by resolution (File 89-89-5) SDI coverage for the 7395 Ornamental Iron Worker and 9342 Ornamental Iron Worker Supervisor I. Therefore, these two classifications should be deleted from the proposed resolution.

Recommendation

Amend the proposed resolution to delete the 7395 Ornamental Iron Worker and the 9342 Ornamental Iron Worker Supervisor I to correct clerical errors, and approve as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 11 - File 94-89-5

Department: Public Utilities Commission (PUC), Municipal Railway (MUNI)

Item: Resolution to authorize the PUC to apply for, accept and expend a grant from the U. S. Department of Transportation.

Amount of Grant: \$50,000

Source of Grant: Federal funds under Section 8 of the Urban Mass Transportation Act of 1964 administered by the U. S. Department of Transportation.

Grant Period: October 1, 1989 to September 30, 1990

Description: The Urban Mass Transportation Administration (UMTA) requires transit operators to annually prepare a comprehensive Five-Year Plan in order to qualify for federal capital and operating assistance. The proposed grant would provide funds that UMTA makes available to defray the extra labor and overhead costs of carrying out these required planning activities.

Grant Budget:

Personnel - Civil Service	
Transit Planner (1 FTE)	\$44,094
Mandatory Fringe Benefits	11,906
Printing and Reproduction	<u>6,500</u>
Total Project Cost	\$62,500
Less: Local Matching Funds	
(included in MUNI Fiscal Year	
1989-90 budget)	<u>12,500</u>
Amount of UMTA grant	\$50,000

Local Match: UMTA requires a 20 percent (\$12,500) local match for these funds. As noted above, such funds have been included in the 1989-90 MUNI budget.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 12 - File 94-89-6

Department: Bureau of Energy Conservation,
Public Utilities Commission (PUC)

Item: Resolution authorizing the PUC Bureau of Energy Conservation to apply for, accept, and expend a grant from the U. S. Department of Energy and the Urban Consortium Energy Task Force.

Amount of Grant: \$45,000

Source of Grant: Federal funds made available through the U. S. Department of Energy

Grant Period: January 1, 1990 to December 31, 1990

Project: Urban Consortium Energy Task Force
Year XI Sustainable City Project.

Description: The Energy Task Force is one of several task forces of the Urban Consortium for Technology Initiatives, which is composed of the 45 largest cities and urban counties in the United States. Members of the Energy Task Force, of which the PUC Bureau of Energy Conservation is San Francisco's representative, design programs to improve the mix and efficiency of energy use in both local government operations and for the community as a whole.

The Board of Supervisors approved a \$65,000 grant application (File 93-88-10) in December, 1988 for the first phase of this project under Year X of the Energy Task Force. This proposed grant for the second phase would fund programs that emphasize the integration of energy strategies within other city program areas, particularly transportation and economic development.

Grant Budget:

Contractual Consultants Services	
Environmental Internship Program	
Intern (1.0 FTE)	\$40,000
Travel	3,000 *
Operating Expenses	2,000
Total Project Cost	\$45,000

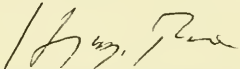
*Travel for two project team members to two Energy Task Force meetings and meetings with the other jurisdictions working on the proposed projects.

Memo to Governmental Operations Committee
November 13, 1989 Governmental Operations Committee Meeting

Required Match: None

Comment: The City contracts with the Environmental Internship Program (EIP), a nonprofit agency, for the position of Project Manager. The \$40,000 budgeted for this position covers full salary and benefits plus an administrative fee to EIP. EIP locates, screens and places interns for environmentally related projects throughout the country.

Recommendations: Approve the proposed resolution.



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Hsieh
Supervisor Alioto
President Britt
Supervisor Hallinan
Supervisor Hongisto
Supervisor Kennedy
Supervisor Maher
Supervisor Nelder
Supervisor Walker
Supervisor Ward
Clerk of the Board
Chief Administrative Officer
Controller
Carol Wilkins
Stacy Becker
Ted Lakey

NOV 15 1989

SAN FRANCISCO
PUBLIC LIBRARY*Actions Taken*CALENDAR
MEETING OFGOVERNMENTAL OPERATIONS COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCOMONDAY, NOVEMBER 13, 1989 - 10:00 A.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, HSIEH, ALIOTO

ABSENT: SUPERVISOR ALIOTO - ITEMS 4, 7 AND 8

CLERK: GAIL JOHNSON

1. File 93-89-18.1. [Downtown Ballpark MOU Implementation] Resolution declaring policy of the San Francisco Board of Supervisors not to approve appropriations of City funds to implement the memoranda of understanding between the City and County of San Francisco and the Giants and the City and County of San Francisco and Spectacor Management Group unless certain changes are included in the memoranda of understanding. (Supervisors Gonzalez, Walker)

ACTION: Hearing held. Tabled (at request of sponsor).

2. File 93-89-18. Hearing to consider memorandums of understanding signed by the Mayor and the San Francisco Giants and the Mayor and Spectacor Management Group. (Supervisors Walker, Gonzalez)

ACTION: Hearing held. Filed (at request of co-sponsor).

3. File 97-89-45. [Contracts, \$50,000 - \$10 million] Ordinance amending Administrative Code by adding Sections 6.29-1, 6.29-2, 21.11-1 and 21.11-2 raising from \$50,000 to \$10 million the dollar amount specified in Paragraph 3 of Charter Section 7.200 for the award of public works and purchasing contracts; requiring that public works and purchasing contracts in excess of \$50,000 and not exceeding \$10 million be awarded in accordance with the procedures of the Administrative Code, including Chapter 12D. (Supervisor Kennedy)

(Continued from 10/30/89)

ACTION: Amendment of the Whole bearing same title adopted. Recommended as amended. (TO BOARD AS A COMMITTEE REPORT FOR CONSIDERATION ON NOVEMBER 13, 1989)

4. File 97-89-20. [Small Minority and Small Women Business Enterprises] DRAFT ordinance amending the Administrative Code by adding Chapter 12G, relating to the award of subcontracts by City and county prime construction contractors to small minority and small women business enterprises. (Supervisors Kennedy, Ward, Maher)

(Continued from 10/30/89)

ACTION: Hearing held. Continued to November 20, 1989 meeting.

5. File 40-89-16.1. Hearing to consider progress report of Task Force on the Residential Permit Parking Program. (Supervisor Gonzalez)

ACTION: Hearing held. Continued to December 11, 1989 meeting.

6. File 40-89-15. [Parking of Vehicles] Resolution extending boundaries of Residential Permit Parking Area "T" in the Forest Hill area and adding Dewey Boulevard, between Laguna Honda Boulevard and Kensington Way, east side; Balceta Avenue, between Woodside and Vasquez Avenues; Hernandez Avenue, between Woodside and Merced Avenues; Laguna Honda Boulevard, between Dewey Boulevard and Hernandez Avenue; Merced Avenue, between Laguna Honda Boulevard and Kensington Way; Pacheco Street, between Dewey Boulevard and Merced Avenue; and Vasquez Avenue, between Woodside and Hernandez Avenues to the list of streets upon which time limitations shall apply. (Department of Public Works)

ACTION: Recommended.

7. File 154-89-1. Hearing to consider a resolution authorizing an actuarial study to be performed on the costs of amending the existing contract with the Board of Administration of the Public Employees' Retirement System of the State of California to allow certain Airport Police, Housing Authority Police and Institutional Police Employees "2 percent at 50" benefits rather than "2 percent at 55" benefits. (Supervisor Nelder)

(Continued from 8/28/89)

ACTION: Continued to Call of the Chair (at request of sponsor).

8. File 64-89-37. [Lease of Space] Resolution authorizing lease of real property at 100 McAllister Street for offices for the Public Utilities Commission. (Real Estate Department)

ACTION: Recommended.

9. File 65-89-8. [Airport Concession Lease] Ordinance approving the "Public Lockers and Over-the-Counter Baggage Storage Lease" between Amlock, Inc. and the City and County of San Francisco, acting by and through its Airports Commission. (Airports Commission)

ACTION: Recommended.

10. File 89-89-8. [State Disability Insurance] Resolution authorizing enrollment of Classifications 9342 Ornamental Iron Worker Supervisor I, 7395 Ornamental Iron Worker and 1813 Retirement Analyst in the State Disability Insurance Program. (Mayor's Office of Employee Relations Division)

ACTION: Amended on lines 1 and 2, by deleting "9342 Ornamental Iron Worker Supervisor I, 7395 Ornamental Iron Worker, and"; on line 8, by replacing "are" with "is"; by deleting lines 11 and 12; and on line 16, by replacing "each of these" with "this". Recommended as amended. New title: "Authorizing enrollment of Classification 1813 Retirement Analyst in the State Disability Insurance Program."

11. File 94-89-5. [Grant - Federal Funds] Resolution authorizing the Public Utilities Commission to apply for, accept and expend \$50,000 from the U.S. Department of Transportation under Section 8 of the Urban Mass Transportation Act, as amended, and required local match funds for Municipal Railway Five-Year Planning Activities in Fiscal Year 1989-90. (Public Utilities Commission)

ACTION: Recommended.

12. File 94-89-6. [Grant - Federal Energy Funds] Resolution authorizing the Public Utilities Commission/Bureau of Energy Conservation to apply for, accept and expend \$45,000 in grant funds from the U.S. Department of Energy and the Urban Consortium Energy Task Force to conduct research on long-term and immediate energy planning priorities for the City and County of San Francisco. (Public Utilities Commission)

ACTION: Recommended.

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BOARD of SUPERVISORS



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San Francisco 94102
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November 17, 1989

NOTICE OF CANCELLED MEETING
GOVERNMENTAL OPERATIONS COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Governmental Operations Committee for Monday, November 27, 1989, at 10:00 a.m., has been cancelled.

The next regular meetings of the Governmental Operations Committee will be held on Monday, November 20, 1989, and Monday, December 4, 1989, at 10:00 a.m., in Room 228, City Hall.

Mary Anne Bulen
Mary Anne Bulen

Acting Clerk of the Board

POSTED: NOVEMBER 17, 1989

CITY AND COUNTY



OF SAN FRANCISCO

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NOV 21 1989

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

November 16, 1989

TO: Governmental Operations Committee

FROM: Budget Analyst

SUBJECT: November 20, 1989 Governmental Operations Committee Meeting

Item 1 - File 97-89-20

Note: This item was continued at the November 13, 1989, Governmental Operations Committee meeting.

Item: Ordinance to amend the Administrative Code by adding Chapter 12G relating to the award of subcontracts by City prime construction contractors to small minority and small women business enterprises (SMBE/SWBE).

Description: 1. Based on the United States Supreme Court's decision in City of Richmond v. Croson, the City Attorney in February, 1989, advised departments and contracting awarding authorities to implement a race- and gender-neutral subcontracting program in place of the then existing race- and gender-conscious program, because the statistical basis for the latter had not been a part of the development of the original MBE/WBE/LBE Ordinance.

2. The Board of Supervisors adopted Ordinance No. 175-89, the MBE/WBE/LBE II Ordinance, on May 22, 1989. That Ordinance, which was subsequently signed into law, contains provisions limiting the application of race- and gender-conscious prime contracting remedies to narrowly defined contracting categories. Those contracting categories have been shown to have a statistically significant variance from the amount of contracting dollars that would be expected to go to minorities and women, based on the availability of such firms in particular contracting categories.

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890.32
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3. The proposed ordinance contains the following five findings with respect to the subcontracting practices of the City's prime contractors, based on oral and written testimony submitted in the MBE/WBE/LBE II Ordinance hearings, the 1983 and 1989 reports of the Human Rights Commission, the 1989 reports of the Budget Analyst, the 1989 report of BPA Economics, Inc., and relying upon the Board's knowledge about the City's compliance with the small minority and small women business contracting program:

a. The evidence before the Board reflecting that small minority and small women owned businesses are receiving City construction subcontracting dollars that are comparable to the availability of such businesses merely reflects that prime contractors competing for City construction contracts were complying with the City's SMBE/SWBE subcontracting program during FY 1987-88.

b. The weight of the testimony and other evidence before the Board indicates that nonminority construction contractors doing business with the City systematically exclude qualified SMBE/SWBE firms from subcontracting opportunities.

c. Race- and gender-neutral measures employed by the City since February 1989 have not prevented the City from being a passive participant in the systematic discrimination against SMBE/SWBE firms.

d. Unless the City takes positive steps to prevent discrimination against SMBE/SWBE firms by the City's prime contractors, the City will become a passive participant in the system of racial- and gender-based exclusion practiced by the City's prime construction contractors.

e. The City's SMBE/SWBE subcontracting program for construction contracts must be continued to prevent the City from once again becoming a passive participant in the systematic exclusion of SMBE/SWBE firms from subcontracting opportunities on City construction contracts.

4. The proposed ordinance contains the following provisions with respect to the policy, scope, definitions, powers and duties of the HRC and its Director, powers and duties of contract awarding authorities, SMBE/SWBE participation goals, monitoring and reporting, compliance, review and implementing instructions:

a. Policy: The City will rely on the relationship between the percentages of SMBE/SWBE firms in the relevant business community sector and their respective shares of City subcontract dollars as a measure of the effectiveness of this proposed ordinance.

b. Scope: The ordinance would apply only to the award of subcontract dollars by the City's prime construction contractors.

c. Definitions: Although the wording may be slightly different on a few of the definitions because of the emphasis on subcontracting as opposed to prime contracting, with the following exceptions, the definitions section is a subset of the definitions section of the MBE/WBE/LBE Ordinance II:

- (1) Back Contracting;
- (2) Economically Disadvantaged;
- (3) Small Minority Business Enterprise (SMBE);
- (4) Small Women Business Enterprise (SWBE);
- (5) Small Woman/Minority Man Business Enterprise (SW/MBE);
- (6) Subcontractor.

d. Powers and Duties: The Human Rights Commission would have the following powers and duties:

- (1) Data collection, analysis and reporting;
- (2) Levying sanctions;
- (3) Amending existing rules and regulations establishing standards and procedures for administering the ordinance.

e. The Director, Human Rights Commission, in addition to the duties and powers given elsewhere, would certify businesses as bona fide SMBE/SWBE firms and be responsible for providing information and assistance to SMBE/SWBE firms.

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BUDGET ANALYST

f. City Departments or Contract Awarding Authorities would have the following powers and duties:

- (1) Impose such sanctions or take such other actions as are designed to ensure compliance with the provisions of the ordinance;
- (2) Not award any contract to a person or business who or which is disqualified from doing business with the City under the provisions of the ordinance.

g. All construction contracts would include the following requirements:

- (1) Require, where subcontracting is utilized, that the bidder demonstrate every "good faith effort" to subcontract with SMBE/SWBE firms;
- (2) Require a signed notarized statement declaring the intention to fully comply with the provisions of the Ordinance;
- (3) Incorporate the Ordinance by reference and provide that the failure of any bidder, contractor, or subcontractor to comply with any of its requirements shall be deemed a material breach of contract;
- (4) Incorporate liquidated damages provisions;
- (5) Specify the continuing responsibilities of prime contractors during the term of the contract with respect to fulfilling SMBE/SWBE participation commitments, good faith efforts to utilize SMBE/SWBE firms, urging subcontractors to utilize SMBE/SWBE firms, and maintaining records necessary for monitoring compliance with the provisions of the Ordinance.
- (6) Specify that whenever contract amendments are made which cumulatively increase the total dollar value of the contract by more than ten percent, the contractor shall comply with those SMBE and SWBE provisions of the Ordinance that applied to the original contract with respect to the amendment.
- (7) Prohibit "back contracting" to the prime contractor or higher tier subcontractor for any purpose inconsistent with the provisions of the Ordinance.

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h. SMBE and SWBE participation goals:

(1) Contracts for construction, the estimated cost of which exceeds \$50,000, would be awarded in accordance with the following standards and procedures:

(a) The Director, HRC, would set the SMBE and SWBE participation goals based on the degree to which such goals would contribute to increasing the participation of SMBEs and SWBEs in City contracts, the level of participation of SMBEs and SWBEs in contracts awarded by other governmental agencies in San Francisco, and the availability of SMBEs and SWBEs that are capable of performing the services required.

(b) Bids and proposals shall identify the particular SMBE/SWBE firms to be utilized in performing the contract, specifying for each the dollar value of the participation, the type of work to be performed, and such information as may reasonably be required to determine the responsiveness of the bid or proposal.

(c) During the term of the contract, any willful failure to comply with the levels of SMBE/SWBE participation identified in the bid or proposal shall be deemed a material breach of contract.

(d) A contracting awarding authority or a department may request the Director to waive the requirements with respect to this section, or to reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the Director prior to solicitation of bids or proposals. A contractor may request the contracting awarding authority or department to waive or reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the contract awarding authority at the time of the bid or proposal. The Director or the contract awarding authority, as the case may be, shall grant such a waiver or reduction of the SMBE/SWBE goal based on the nature of the work or availability of qualified SMBE/SWBE firms capable of performing the work.

i. **Monitoring, Reporting, and Compliance:** The requirements and responsibilities covering this subject are essentially the same as those in the MBE/WBE/LBE II Ordinance.

j. **Review:** The Commission shall review and report to the Board of Supervisors, the Chief Administrative Officer, and the Mayor annually on the extent of SMBE and SWBE participation in City prime construction contracts. If in the opinion of the Commission, the objectives of the Ordinance have been achieved in whole or in part, the Commission shall recommend to the Board of Supervisors that those sections be repealed. The Ordinance shall expire three years from its effective date unless extended by the City.

k. **Implementing Regulations:** The HRC shall, within 30 days of the enactment of this Ordinance, establish appropriate amendments to the rules, regulations, and procedures adopted and promulgated by the HRC pursuant to Ordinance 139-84. The public and affected agencies shall have the opportunity to provide input to and comment on the amendment to the regulations prior to their formal adoption. The rules and regulations shall provide for administrative procedures that allow a prime construction contractor to establish that the Ordinance's remedial measures should not be applied to the construction industry at the time that SMBE/SWBE participation in construction contracts has reached parity with the available number of SMBE/SWBE firms in the relevant business community and SMBE/SWBE firms no longer suffer from a competitive disadvantage in the construction industry.

Comments:

1. The proposed Ordinance is in a first draft form.

2. Findings one (point 3a.) and two (point 3b.), which are concerned with the degree of participation SMBE/SWBE firms have experienced in construction contracting in the City, as reflected in testimony before the Board of Supervisors, appear to be contradictory. Finding one states that evidence before the Board shows that SMBE/SWBE firms are awarded subcontract dollars that are comparable to the available numbers of SMBE/SWBE firms in the relevant market. Finding two states that evidence presented to the Board reflects that nonminority construction contractors competing for or doing business with the City systematically exclude qualified SMBE/SWBE firms from subcontracting opportunities on City construction contracts.

Recommendation: Approval of this proposed ordinance is a policy matter for the Board of Supervisors.

Item 4 - File 183-89-3

Department Real Estate Department

Item: Resolution authorizing acceptance of a quitclaim deed for a roadway easement and a quitclaim deed for utility easements from Bridge Housing Corporation; and adopting findings pursuant to City Planning Code Section 101.1.

Location: Easements are located adjacent to the Morgan Heights Housing Project, now under development by the Bridge Housing Corporation, along Donahue Street, between Jerrold and Innes Streets.

Description: The proposed resolution would authorize the acceptance by the City from the Bridge Housing Corporation of two quitclaim deeds consisting of a roadway easement and utility easements. The roadway easement allows appropriate public access to the new Morgan Heights housing development developed by the Bridge Housing Corporation. The utility easements consist of four sewer easements and one water easement and allow sewer and water connections to the housing development.

As allowed by the easements, Bridge Housing Corporation, at no cost to the City, is constructing a public access road to the housing development and associated sewer and water connections in accordance with the City's Public Works Department standards and specifications for public streets and public utility purposes.

The proposed resolution also would adopt the findings of the City Planning Department that the Morgan Heights housing development, including the acceptance of the associated roadway and utility easements, conforms to the Master Plan and is consistent with the priority policies of City Planning Code Section 101.1. The City Planning Department made these findings on December 21, 1987.

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Comment: The City, by acceptance of the quitclaim deeds, agrees to assume control of the easements and the associated roadway and utility connections covered by the easements. As previously noted, the roadway and utility connections would be accomplished by Bridge Housing Corporation at no cost to the City. DPW reports that once the roadway and utility improvements are approved for conformance to DPW standards and specifications for public streets and public utility purposes, it will request the Board of Supervisors to approve the City's acceptance of responsibility for maintenance of the roadway and utility improvements.

Recommendation: Approve the proposed resolution.

Item 5 - File 146-89-68

Department: Department of Public Health (DPH), Homeless Office

Item: Resolution authorizing DPH, as sub-grantee, to accept and expend a Federal grant.

Amount: \$929,139

Source of Grant: Federal Public Health Services

Grant Period: January 1, 1990 to December 31, 1990

Project: Homeless Primary Care and Substance Abuse Services

Project Description: The proposed grant would fund the City's share of a collaborative effort between the DPH, which is the sub-grantee, and the San Francisco Community Clinic Consortium (SFCCC), prime grantee. DPH is the sub-grantee because SFCC had a prior arrangement for similar services with the Federal government. The program provides comprehensive primary health care, social services and substance abuse services to homeless persons in San Francisco through a network of eight community-based health clinics, including the City-operated Tom Waddell Clinic. During 1990, the project will expand to include services to homeless people with HIV disease and tuberculosis, those in need of podiatry and dermatological services, and specialized services to families, women, youth and seniors.

The proposed grant would fund DPH medical and dental care, social services and mental health services, and contractual services with (a) Bayview Hunters Point Foundation (BVHP) for the provision of mental health services, (b) 18th Street Services for substance abuse services and (c) the California College of Podiatric Medicine for podiatry services. These contractors, who are the current service providers for this program, would be awarded the contracts on a sole-source basis due to the unique nature of the services.

of Persons to be Served:

Approximately 5,000 unduplicated clients, or 12,000 encounters with clients, during 1990.

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BUDGET ANALYST

Memo to Governmental Operations Committee
 November 20, 1989 Governmental Operations Committee Meeting

Project Budget:

Grant Budget

	<u>FTE</u>	
<u>Civil Service Personnel</u>		
Data Entry Operator	1.0	\$24,078
Nurse Practitioner	4.0	212,472
Senior Medical Social Worker	1.0	49,140
Medical Social Worker	2.0	73,528
Medical Records Technician	0.5	14,976
Clinical Psychologist	<u>0.2</u>	<u>9,542</u>
Subtotal Civil Service	8.7	\$383,736
Mandatory Fringe Benefits		111,283

Contractual Services

Bayview Hunters Point Foundation

Team Coordinator	1.0	\$31,247
Case Manager/Therapist	2.0	53,434
Outreach Workers	6.0	140,868
Psychiatrist	<u>0.35</u>	<u>28,794</u>
Subtotal	9.35	\$254,343
Fringe Benefits		50,869
Indirect Costs		<u>20,958</u>
Subtotal		\$326,170

18th Street Services/BVHP

Youth Outreach Worker	1.0	26,800
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California College of Podiatric

Medicine

Podiatrist	0.2	12,000
Travel (one national conference)		650
Supplies		30,000
Dental Laboratory		10,000
Telephones		2,000
Beepers		1,500
Emergency Food, Clothing and Transportation		20,000
Data Processing Services		<u>5,000</u>

Total Grant Budget \$929,139

Local Match \$464,570

Total Project Budget \$1,393,709

Indirect Costs: None

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BUDGET ANALYST

Required Match: \$464,570, or 33 percent match of total project costs, \$65,177 of which is included in DPH's 1989-90 budget and \$399,393 of which will be funded by monies yet to be identified.

Comments: 1. The proposed grant amount of \$929,139 is \$337,332 or 57 percent more than the \$591,807 received in 1989. Mr. Fred Milligan of DPH reports that the 1990 grant request includes maintenance of previous year services plus cost-of-living increases and 5.35 FTE positions, which are part of the Homeless Primary Care and Substance Abuse Services program but are currently funded by Robert Wood Johnson Foundation grant monies. Mr. Milligan indicates that the Robert Wood Johnson Foundation money is being phased out, and therefore DPH is requesting Federal monies to supplant the private foundation money. The Robert Wood Johnson Foundation-funded positions, included in the 1990 Federal grant request, are as follows:

	<u>FTE</u>
Civil Service Personnel	
Nurse Practitioner	1.0
Medical Social Worker	1.0
Bayview Hunters Point Foundation	
Contract	
Team Coordinator	1.0
Case Manager/Therapist	2.0
Psychiatrist	<u>0.35</u>
Total FTE	5.35

2. As noted earlier, the proposed grant requires a 33 percent local match of \$464,570, \$65,177 of which is included in DPH's 1989-90 budget and \$399,393 of which is to be funded by sources yet to be identified. Mr. Milligan indicates that the DPH will request a supplemental appropriation, as a separate item from the proposed grant, for \$167,108 of the \$399,393 unidentified funds to fund four new positions to be added to DPH, medical services contracts and other related costs for fiscal year 1989-90. According to Mr. Milligan, the DPH anticipates requesting the remainder of \$232,285 of the unidentified funds (\$399,393 less \$167,108) in the DPH's FY 1990-91 budget. Mr. Milligan indicates that approval of the supplemental appropriation, which has not yet been presented to the Board of Supervisors, is required before the DPH may accept and expend the proposed grant funds of \$929,139. Therefore, Mr. Milligan requests that this item be continued.

Recommendation: Continue the item as requested by the Department.

BOARD OF SUPERVISORS
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Item 6 - File 186-89-26

1. The proposed resolution would approve the City's "Report for Combined Alcohol and Drug Services in San Francisco for FY 1989-90" prepared by the Department of Public Health (DPH), Community Substance Abuse Services, for submission to the State Department of Alcohol and Drug Programs. The proposed resolution would also authorize and direct the President of the Board of Supervisors to certify this Report.

2. According to Dr. Wayne Clark of DPH, the State requires an annual report summarizing the City's plans for providing alcohol and drug services. Dr. Clark states that preparation and submission of this Report, in accordance with State guidelines, formalizes the State's basis for awarding grants for alcohol and substance abuse programs to the City for FY 1989-90. Dr. Clark indicates that many of the State's grants to counties are awarded for the fiscal year by the time the State receives the annual reports, which are due during the Fall of each year.

3. The City's Report establishes the City's needs and priorities for alcohol and drug treatment services. As one of two counties participating in a demonstration project to merge alcohol and drug services, the report discusses strategies for providing the most cost-effective drug and alcohol services by using multi-source funding, and comprehensive community-based program services, and administrative organizational restructuring. The City's Report also evaluates the impact of the merged services on the City's alcohol and drug treatment clients. Budgets for contractual services for FY 1989-90 are also detailed. The programs and services described in the Report are consistent with the DPH's 1989-90 budget.

4. According to Mr. Michael Hart of DPH, the Report, which is currently labeled "Preliminary," will become the Final Report upon approval by the Board of Supervisors. The Budget Analyst has reviewed the Report, which is on file in the Clerk's Office.

Recommendation

Approve the proposed resolution.

Item 7 - File 173-89-6

Department: Port of San Francisco

Proposed Action: Ordinance approving a new lease between the San Francisco Bar Pilots Benevolent and Protective Association and the City operating by and through the Port Commission pursuant to Section 7.402-1 of the Charter.

Purpose of Lease: Office space, meeting rooms, locker rooms, exercise facilities, dining and sleeping facilities and parking for the San Francisco Bar Pilots.

Lessee: San Francisco Bar Pilots Benevolent and Protective Association.

No. of Sq. Ft. and Revenue/Month: A portion of Pier 9 previously occupied by Crowley Maritime Corporation consisting of 45,074 sq.ft. @ approximately \$0.39/sq.ft. per month or \$17,571 per month. Cost of living adjustment would be made every three years commencing January 1, 1993.

Annual Revenue: \$210,852

Utilities and Janitor Provided by Lessee: Yes

Term of Lease: Twenty-year lease (240 months) from January 1, 1990 to December 31, 2009.

Description: 1. The proposed lease with the Bar Pilots was structured to match an offer by another prospective lessee, Retail Technologies, for the existing office/storage space located at Pier 9, for the remaining shed space to be charged on the basis of lost parking revenues to the Port, and for the apron space.

2. The proposed monthly rent is derived as follows:

	<u>Sq.Ft.</u>	<u>Avg. Cost/ Sq.Ft.</u>	<u>Monthly Cost</u>
Office/Storage Space	9,442	\$1.075	\$10,153
Parking (Shed Space)	22,963	.255	5,856
61 spaces @ \$96.00			
Apron (Open Space)	<u>12,669</u>	<u>.100</u>	<u>1,267</u>
Subtotal	45,074	\$0.38	\$17,276
Amortized Rent Payment			<u>295*</u>
Totals	45,074	\$0.39	\$17,571

* See explanation below.

3. The Bar Pilots, who are currently leasing space at Pier 7, desire to leave Pier 7 and move to Pier 9 in order to obtain enlarged office space at Pier 9. Under the proposed lease, which would become effective January 1, 1990, the Bar Pilots would not make any payment to the Port until July 1, 1990 in order to allow them time for the proposed construction work. The construction work is estimated to cost \$1.5 to \$2.0 million.

4. The proposed lease would require no payments for six months until July 1990 with two months rent of \$34,552 (2 x \$17,276 for January and February of 1990) being allotted as a construction allowance and four months rent of \$69,104 (4 x \$17,276 from March through June of 1990) to be amortized over the remaining term of the twenty-year lease. This amortized amount of monthly rent is \$295 and is calculated as follows:

4 Months of Rent (\$17,276/mo.)	\$69,104
+ Remaining Months in Lease	
(240 months less 6 months)	<u>÷ 234</u>
Amortized Monthly Payment	\$295

Comments:

1. In August of 1989, the Board of Supervisors approved an ordinance (File 173-89-4) terminating Crowley Maritime's lease of 82,254 sq. ft. at Pier 9. Crowley Maritime's lease was to have expired on June 30, 1991. In consideration of terminating the lease 24 months early (July 1, 1989 through June 30, 1991), Crowley Maritime agreed to pay the sum of \$30,938.97 (3 x \$10,312.99) which represented three months rent from July 1, 1989 through September 30, 1989. This amount was to be reduced, dollar for dollar, by any rental income that the Port realized from Pier 9 during the period of July 1, 1989 through September 30, 1989. During this three-month period, the Port realized \$5,389.80 in rental income from Crowley Maritime for water taxi space which Crowley Maritime continued to lease from the Port at Pier 9 (10,526 square feet at \$1,796.60 per month) and rentals of \$5,316.55 from parking spaces at Pier 9 for a total income of \$10,706.35. Therefore Crowley was to pay the Port a net amount of \$20,232.62 (\$30,938.97 less \$10,706.35) in consideration for the early termination of its Pier 9 lease. As of November 16, 1989, of the \$20,232.62 owed by Crowley to the Port in accordance with the previously approved termination agreement, Crowley has paid the Port \$12,109.59 and still owes the Port \$8,123.03. This latter amount has been billed by the Port to Crowley.

2. If the proposed lease is approved, the Port would be realizing the following rental income for space at Pier 9:

	<u>Sq. Ft.</u>	<u>Average Cost/ Sq. Ft.</u>	<u>Monthly Rental Payment</u>
San Francisco Bar Pilots	45,074	\$0.39	\$17,571.00
Crowley Maritime	10,526	0.17	1,796.60
Anticipated Income from Parking Spaces (26 @ \$100/month)	-	-	<u>2,600.00</u>
Totals	<u>55,600</u>	<u>\$0.35*</u>	<u>\$21,967.60</u>

* Excludes parking spaces.

This total monthly rental amount of \$21,967.60 would be approximately 113 percent greater or \$11,654.61 more than the previous monthly rental amount of \$10,312.99 received from Crowley Maritime. Further, according to Ms. Schimke, the Port expects to generate additional revenue through the leasing of the remaining space at Pier 9. This space would be used for berthing spaces for excursion boats, and would result in an estimated \$6,000 per month in additional rental income.

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Therefore the total projected monthly rental space at Pier 9 is \$27,967.60 (anticipated rent of \$21,967.60 plus additional potential rent of \$6,000). This projected monthly total of \$27,967.60 would be approximately 171 percent greater or \$17,654.61 more than the monthly payment of \$10,312.99 previously received by the Port from Crowley Maritime under their recently terminated lease at Pier 9.

3. The San Francisco Bar Pilots currently occupy 8,155 sq. ft. at Pier 7, consisting largely of office space. The Bar Pilots are on a month-to-month lease and pay the Port an average of approximately \$.63/sq. ft. for a monthly total of \$5,130. Ms. Schimke states that the Port believes it would be able to quickly lease this space at Pier 7 to be vacated by the Bar Pilots, having already received several inquiries of interests. If the proposed lease is approved, the Port would have six months (1/1/90-6/30/90) to find an occupant for the Bar Pilots space at Pier 7 because the Bar Pilots would not move until construction is completed at Pier 9 which is anticipated on or about June 30, 1990.

4. The Budget Analyst notes that even if the space leased by the Bar Pilots at Pier 7 were to remain vacant, the Port would still be realizing greater revenues at Pier 9 than under the original Crowley Maritime lease at Pier 9. If the \$5,130 monthly payment for the Pier 7 space by the Bar Pilots is deducted from the anticipated monthly revenue total of \$21,967.60 at Pier 9, the Port would still be receiving \$16,837.60 per month. This latter amount is approximately 63 percent greater or \$6,524.61 more than the \$10,312.99 previously paid by Crowley Maritime under the old Pier 9 lease.

5. The proposed term of the lease is for twenty years commencing January 1, 1990 and terminating December 31, 2009. The lease document submitted by the Port incorrectly lists the termination date as December 31, 2010. Ms. Schimke acknowledges this technical error and states a correction will be made to the lease document to reflect the correct termination date of December 31, 2009.

6. The Budget Analyst commends the Port for its successful efforts in obtaining higher revenues at Pier 9 for the space previously occupied by Crowley Maritime.

Recommendation: Approve the proposed ordinance.

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Item 8 - File 173-89-5

Department: Port of San Francisco

Proposed Action: Ordinance approving first amendment to a lease between Mission Creek Harbor Association, Inc., (MCHA) and the City operating by and through the Port pursuant to Section 7.402-1 of the Charter.

Description: In February of 1989, the Board of Supervisors approved a new lease with the Mission Creek Harbor Association, Inc. (MCHA) for a dock and harbor facility in the Mission Creek Channel. The leased property is partially water and partially land adjacent to the water. MCHA is using the water area as a marina for houseboats and recreational boats and the land area for parking and open space. Under the terms of the lease agreement, the Mission Creek Harbor Association, Inc. is leasing 192,400 square feet for \$2,592 per month (approximately \$0.0135/sq. ft. per month). On an annual basis, the lease generates \$31,104 in revenues for the Port. The lease term is for 30 years, and the utilities are provided by MCHA.

The Port proposes to amend the existing lease to address the following concerns:

1. Addition of a tenant relocation plan in the event that tenants must be relocated to allow for any environmental clean-up of the Mission Creek Channel. The relocation plan included in the proposed lease amendment provides for temporary relocation of tenants, assignment of liability to the Port for any damage to the docks and pilings during the clean-up, and proportional abatement of rent during that time when the premises are not available for occupancy.
2. Addition of more specific obligations and standards with respect to the reconstruction and improvement of the parcels of land reserved for open space, including adherence to the Bay Conservation and Development Commission's requirements, and compatibility with the plans for the Mission Bay Development. The amendment would require that the open space parcels be designed by MCHA subject to the review and approval of a design committee consisting of representatives of the Port, MCHA, and the City Planning Department.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Provision for compliance with an existing easement for roadway and utility purposes, held by the Santa Fe Pacific Realty Corporation, on part of the property. MCHA is currently planning to use this part of the property for residential parking, which may not conform to the restrictions of the easement. The lease amendment provides that MCHA will comply with the restrictions imposed by the easement, and also provides that the Port will cooperate with, and use its best efforts to assist MCHA to eliminate the conditions of the easement or obtain a waiver from the Santa Fe Pacific Realty Corporation to allow other uses for the land. If the affected property cannot be used for parking and the Port cannot obtain a waiver or eliminate the conditions of the easement for MCHA, the portion of the lease pertaining to the affected property subject to the easement would be terminated, and the Port would cooperate with MCHA in locating an alternate site for the residential parking.
4. Provision for vacation of the portion of Channel Street that lies under Mission Creek to allow the leased premises to be used for purposes other than as a street. Currently, a portion of the land under Mission Creek is considered to be a part of the Channel Street right-of-way, which is controlled by the Department of Public Works (DPW). The street does not exist because of the presence of the creek channel, but the right-of-way technically is reserved for public use as a street, unless vacated. According to the City Attorney's Office, the Port has always maintained jurisdiction over the Mission Creek Channel, even though DPW has the authority to improve, for public access purposes, the Channel Street right-of-way that includes a portion of the Mission Creek Channel. DPW's authority would continue unless the right-of-way is vacated. The proposed amendments to the lease would allow for the formal vacation of Channel Street by DPW.

The actual vacation of Channel Street by the Board of Supervisors is proposed in Item 9 - File 198-89-6 and Item 10 - File 198-89-6.1 of this report.

Comment:

1. The proposed lease amendments do not affect the existing provisions to the lease agreement between the Mission Creek Harbor Association, Inc. and the Port. The proposed lease amendments would further clarify specific terms and responsibilities as stated above.

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2. With respect to the tenant relocation plan in the event that an environmental clean-up of Mission Creek is required, Ms. Dorothy Schimke of the Port reports that the Port does not have an estimate of the potential costs of a possible environmental clean-up of Mission Creek, because they do not know the extent of a potential environmental clean-up required, or what clean-up methods would be used.

3. With respect to the roadway and utility easement held by the Santa Fe Pacific Realty Corporation, the proposed amendments to the lease agreement states that the Port would "cooperate" with MCHA in locating an alternate site for the planned parking lot. Ms. Schimke has stated that the proposed amendment pertaining to the easement does not obligate the Port to incur any cost in searching for another parking lot site for MCHA.

Recommendation: Approve the proposed ordinance.

Items 9 and 10 - File 198-89-6 and File 198-89-6.1

Department Department of Public Works (DPW)

Items: The proposed resolution (File 198-89-6) would declare the intention of the Board of Supervisors to vacate a portion of Channel Street west of Fifth Street and the intersection of Sixth and Channel Streets and would set the hearing date for all persons interested in the proposed vacation.

The proposed ordinance (File 198-89-6.1) would authorize the vacation of that portion of Channel Street west of Fifth and the intersection of Sixth and Channel Streets and would adopt findings pursuant to City Planning Code Section 101.1.

Description: Currently, property records show that the portion of Channel Street right-of-way proposed to be vacated runs beneath the existing Mission Creek Channel. According to Mr. Joseph Pelayo of DPW, although Channel Street does not exist because of the existing creek channel, the land beneath the creek channel technically remains reserved for public use as a street and is under the jurisdiction of DPW. The Mission Creek Channel is controlled by the Port of San Francisco.

In February of 1989, the Board of Supervisors approved a lease between the Mission Creek Harbor Association and the Port of San Francisco for a dock and harbor facility in the Mission Creek Channel including the area of the Channel Street roadway proposed for vacation. The Port has subsequently proposed amendments to that lease that would include the City's intent to vacate the Channel Street right-of-way. The Port has submitted these lease amendments to the Board for its approval. These amendments are the subject of Item 8 - File 173-89-5 of this report.

Comments: 1. Vacation of the affected portion of Channel Street will result in the relinquishing of the Channel Street right-of-way by the City's Department of Public Works to the Port of San Francisco. If the proposed vacation is not approved, the execution and maintenance of the lease agreement between the Mission Creek Harbor Association and the Port would not be affected, although DPW would still retain the jurisdiction to make improvements to the Channel Street right-of-way. DPW does not plan to extend Channel Street over the existing creek channel. However, the Port has explained that if the vacation is not approved a challenge of the lease by an individual or group of individuals based on the public's right-of-way on Channel Street could occur, and could lead to litigation as to whether or not the lease is valid.

BOARD OF SUPERVISORS
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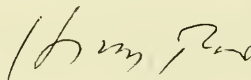
2. On June 29, 1989, the Department of City Planning reported that the proposed vacation conforms to the Master Plan and is consistent with the eight Priority Policies of City Planning Code Section 101.1.

3. Should the Governmental Operations Committee wish to approve the vacation of Channel Street west of Fifth Street and the intersection of Sixth and Channel Streets, which is the subject of this legislation, the proposed resolution (File 198-89-6) should be amended to include an appropriate date for the Board of Supervisors to hold the required public hearing.

4. If the finding by the Board of Supervisors at a public hearing is in favor of vacating that portion of Channel Street stated in the legislation, the proposed ordinance (File 198-89-6.1), authorizing the vacation of that portion of Channel Street, would then be considered by the Board of Supervisors.

Recommendations: 1) Amend the resolution (File 198-89-6) to include a hearing date for the Board of Supervisors to determine whether there is a public interest and convenience in the proposed street vacation.

2) Refer the proposed ordinance (File 198-89-6.1) to the Board of Supervisors without recommendation.



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Hsieh
Supervisor Alioto
President Britt
Supervisor Hallinan
Supervisor Hongisto
Supervisor Kennedy
Supervisor Maher
Supervisor Nelder
Supervisor Walker
Supervisor Ward
Clerk of the Board
Chief Administrative Officer
Controller
Carol Wilkins
Stacy Becker
Ted Lakey

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BUDGET ANALYST

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CALENDAR
MEETING OF
GOVERNMENTAL OPERATIONS COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

MONDAY, NOVEMBER 20, 1989 - 10:00 A.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, HSIEH, ALIOTO

ABSENT: SUPERVISOR ALIOTO - ITEM 1

CLERK: GAIL JOHNSON

1. File 97-89-20. [Small Minority and Small Women Business Enterprises] DRAFT ordinance amending the Administrative Code by adding Chapter 12G, relating to the award of subcontracts by City and County prime construction contractors to small minority and small women business enterprises. (Supervisors Kennedy, Ward, Maher)

(Continued from 11/13/89)

ACTION: Hearing held. Continued to December 11, 1989 meeting.

2. File 40-89-14. [Parking of Vehicles] Resolution extending boundaries of Residential Permit Parking Area "S" in the Duboce Triangle area and adding Twentieth Street, between Castro and Noe Streets, to the list of streets upon which time limitations shall apply. (Department of Public Works)

ACTION: Recommended.

3. File 40-89-18. [Parking of Vehicles] Resolution extending the boundaries of Residential Permit Parking Area "J" in the Parnassus Heights area, and adding Grattan Street, between Stanyan and Shrader Streets, and Stanyan Street, between Parnassus Avenue and Alma Street, to the list of streets upon which time limitations shall apply. (Department of Public Works)

ACTION: Amendment of the Whole adopted. Recommended as amended. New title: "Extending the boundaries of Residential Permit Parking Area "J" in the Parnassus Heights area, and adding Grattan Street, between Stanyan and Shrader Streets, and Stanyan Street, between Parnassus Avenue and Rivoli Street, to the list of streets upon which time limitations shall apply."

4. File 183-89-3. [Acceptance of Quitclaim Deeds] Resolution authorizing acceptance of a quitclaim deed for a roadway easement and a quitclaim deed for utility easements from Bridge Housing Corporation; and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

ACTION: Continued to December 4, 1989 meeting.

5. File 146-89-68. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Homeless Office, to accept and expend as sub-grantee, in collaboration with the San Francisco Community Clinic Consortium as prime grantee, a grant from the Federal Public Health Services for the period of January 1, 1990 to December 31, 1990, in an amount of \$929,139, for the provision of primary health services and substance abuse services to homeless individuals. (Mayor)

ACTION: Continued to Call of the Chair.

6. File 186-89-26. [County Report - Alcohol and Drug Services] Resolution approving the San Francisco County Report for combined alcohol and drug services in Fiscal Year 1989-90 as prepared and submitted by the Department of Public Health, Community Substance Abuse Services for submission to the State of California, Department of Alcohol and Drug Programs; and authorizing and directing the President of the Board to certify said report. (Department of Public Health)

ACTION: Recommended.

7. File 173-89-6. [Lease of Property] Ordinance approving Lease L-11515 between The San Francisco Bar Pilots Benevolent and Protective Association and the City and County of San Francisco, operating by and through the San Francisco Port Commission. (Port of San Francisco)

ACTION: Recommended.

8. File 173-89-5. [Lease of Property] Ordinance approving First Amendment to lease between Mission Creek Harbor Association, Inc. and the City and County of San Francisco, operating by and through the San Francisco Port Commission. (Port of San Francisco)

ACTION: Recommended.

9. File 198-89-6. [Street Vacation] Resolution declaring intention of Board of Supervisors to vacate a portion of Channel Street west of Fifth Street and the intersection of Sixth and Channel Streets; and setting the hearing date for all persons interested in the proposed vacation; companion measure to File 198-89-6.1. (Department of Public Works)

ACTION: Continued to December 4, 1989 meeting.

10. File 198-89-6.1. [Street Vacation] Ordinance ordering vacation of a portion of Channel Street west of Fifth Street and the intersection of Sixth and Channel Streets; and adopting findings pursuant to City Planning Code Section 101.1; companion measure to File 198-89-6. (Department of Public Works)

ACTION: Continued to December 4, 1989 meeting.

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ATTN: Gerry Roth

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November 30, 1989

TO: Governmental Operations Committee
FROM: Budget Analyst
SUBJECT: December 4, 1989 Governmental Operations Committee Meeting

Item 1 - File 183-89-3

Note: This item was continued by the Governmental Operations Committee at its meeting of November 20, 1989.

Department Real Estate Department

Item: Resolution authorizing acceptance of a quitclaim deed for a roadway easement and a quitclaim deed for utility easements from Bridge Housing Corporation; and adopting findings pursuant to City Planning Code Section 101.1.

Location: Easements are located adjacent to the Morgan Heights Housing Project, now under development by the Bridge Housing Corporation, along Donahue Street, between Jerrold and Innes Streets.

Description: The proposed resolution would authorize the acceptance by the City from the Bridge Housing Corporation of two quitclaim deeds consisting of a roadway easement and utility easements. The roadway easement allows appropriate public access to the new Morgan Heights housing development developed by the Bridge Housing Corporation. The utility easements consist of four sewer easements and one water easement and allow sewer and water connections to the housing development.

As allowed by the easements, Bridge Housing Corporation, at no cost to the City, is constructing a public access road to the housing development and associated sewer and water connections in accordance with the City's Public Works Department standards and specifications for public streets and public utility purposes.

The proposed resolution also would adopt the findings of the City Planning Department that the Morgan Heights housing development, including the acceptance of the associated roadway and utility easements, conforms to the Master Plan and is consistent with the priority policies of City Planning Code Section 101.1. The City Planning Department made these findings on December 21, 1987.

Comment:

The City, by acceptance of the quitclaim deeds, agrees to assume control of the easements and the associated roadway and utility connections covered by the easements. As previously noted, the roadway and utility connections would be accomplished by Bridge Housing Corporation at no cost to the City. DPW reports that once the roadway and utility improvements are approved for conformance to DPW standards and specifications for public streets and public utility purposes, it will request the Board of Supervisors to approve the City's acceptance of responsibility for maintenance of the roadway and utility improvements.

Recommendation: Approve the proposed resolution.

Items 2 and 3 - Files 198-89-6 and File 198-89-6.1

Note: These items were continued by the Governmental Operations Committee at its meeting of November 20, 1989.

Department Department of Public Works (DPW)

Items: The proposed resolution (File 198-89-6) would declare the intention of the Board of Supervisors to vacate a portion of Channel Street west of Fifth Street and the intersection of Sixth and Channel Streets and would set the hearing date for all persons interested in the proposed vacation.

The proposed ordinance (File 198-89-6.1) would authorize the vacation of that portion of Channel Street west of Fifth and the intersection of Sixth and Channel Streets and would adopt findings pursuant to City Planning Code Section 101.1.

Description: Currently, property records show that the portion of Channel Street right-of-way proposed to be vacated runs beneath the existing Mission Creek Channel. According to Mr. Joseph Pelayo of DPW, although Channel Street does not exist because of the existing creek channel, the land beneath the creek channel technically remains reserved for public use as a street and is under the jurisdiction of DPW. The Mission Creek Channel is controlled by the Port of San Francisco.

In February of 1989, the Board of Supervisors approved a lease between the Mission Creek Harbor Association and the Port of San Francisco for a dock and harbor facility in the Mission Creek Channel including the area of the Channel Street roadway proposed for vacation. The Port has subsequently proposed amendments to that lease that would include the City's intent to vacate the Channel Street right-of-way. The Port has submitted these lease amendments to the Board for its approval. These amendments are the subject of Item 8 - File 173-89-5 of this report.

Comments:

1. Vacation of the affected portion of Channel Street will result in the relinquishing of the Channel Street right-of-way by the City's Department of Public Works to the Port of San Francisco. If the proposed vacation is not approved, the execution and maintenance of the lease agreement between the Mission Creek Harbor Association and the Port would not be affected, although DPW would still retain the jurisdiction to make improvements to the Channel Street right-of-way. DPW does not plan to extend Channel Street over the existing creek channel. However, the Port has explained that if the vacation is not approved a challenge of the lease by an

BOARD OF SUPERVISORS
BUDGET ANALYST

individual or group of individuals based on the public's right-of-way on Channel Street could occur, and could lead to litigation as to whether or not the lease is valid.

2. On June 29, 1989, the Department of City Planning reported that the proposed vacation conforms to the Master Plan and is consistent with the eight Priority Policies of City Planning Code Section 101.1.

3. Should the Governmental Operations Committee wish to approve the vacation of Channel Street west of Fifth Street and the intersection of Sixth and Channel Streets, which is the subject of this legislation, the proposed resolution (File 198-89-6) should be amended to include an appropriate date for the Board of Supervisors to hold the required public hearing.

4. If the finding by the Board of Supervisors at a public hearing is in favor of vacating that portion of Channel Street stated in the legislation, the proposed ordinance (File 198-89-6.1), authorizing the vacation of that portion of Channel Street, would then be considered by the Board of Supervisors.

- Recommendations:**
- 1) Amend the resolution (File 198-89-6) to include a hearing date for the Board of Supervisors to determine whether there is a public interest and convenience in the proposed street vacation.
 - 2) Refer the proposed ordinance (File 198-89-6.1) to the Board of Supervisors without recommendation.

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Item 4 - File 47-89-9

Department: Real Estate Department

Item: Resolution authorizing negotiated lease of certain commercial space at the Moscone Center Garage.

Location: Moscone Center Garage, Commercial Lease Space #2

Purpose: To allow use of the commercial space as a sushi bar.

No. of Sq. Ft. and Cost/Month: 525 sq.ft. @ \$1.00 sq. ft./mo. = \$525.00 rent/mo.

Annual Rent: \$6,300

Term of Lease: Five-year term, with two five-year options to extend. The lease would commence upon approval of the proposed resolution, receipt of the full security deposit, and fulfillment of insurance requirements.

**Janitorial Services/
Maintenance paid by:** Lessee

Comments:

1. This would be the first lease of the subject commercial space. The space contains 587 sq. ft., 525 sq. ft. of which are usable. The Parking and Traffic Commission, which has jurisdiction of the subject property, has recommended the award of the lease to the proposed tenant.
2. As stated above, the intended use of the commercial space is as a sushi bar. No on-site cooking would be permitted.
3. According to the Department of Real Estate, the proposed tenant, Mr. Martin Lu, has made a \$1,000 deposit which will be applied to the required 3-month security deposit upon approval of the lease. The Department has determined that the tenant is financially responsible.
4. The Real Estate Department reports that the commercial space is in shell condition and that the tenant will be required to make tenant improvements at no cost to the City. The cost of such improvements is estimated to be between \$5,000 and \$15,000, depending on the extent of the improvements.
5. Ordinance No. 254-86 authorizes the Director of Property to arrange for the direct lease of commercial space at the

BOARD OF SUPERVISORS
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Moscone Center Garage on a negotiated basis. This authority was provided by the Board of Supervisors because of the previous difficulty experienced by the Department in leasing the space on a competitive bid basis.

6. The Real Estate Department reports that the proposed monthly rental amount of \$525 represents the fair market rental of the space to be leased.

Recommendation: Approve the proposed resolution.

Item 6 - File 106-89-8

Department: Civil Service Commission

Proposed Action: Resolution that the highest general prevailing rate of wages paid in private employment to various crafts in the City is determined and set forth in (a) the General Prevailing Wage Determination survey made by the Director of Industrial Relations of the State of California and (b) the agreement between Parking Employers and Teamster Automotive Employees, Local 665.

Description:

1. Charter Section 7.204 requires that contracts for public works or improvement involving construction or fabrication shall provide for the payment of the highest prevailing wage rates to all persons performing labor under such contracts.
2. Section 6.37 of the City's Administrative Code gives authority to the Board of Supervisors to fix and determine the highest general prevailing wage rates. To assist the Board in the determination of these wage rates, the Civil Service Commission is required to furnish, on an annual basis, data as to the highest general prevailing rate of wages of the various crafts and types of labor, including wages paid on holidays and for overtime, as paid by private employers in the City. In determining these wage rates, the Board of Supervisors is not limited to the data submitted by the Civil Service Commission but may consider such other information on the subject as it may deem proper.

Comments:

1. In April of 1989, the Board of Supervisors approved an ordinance (File No. 97-89-9) amending Section 6.36 of the Administrative Code requiring the payment of prevailing wages to Garage Attendant employees of contractors engaged in the operation and maintenance of City-owned parking lots and garages. However, the State's General Prevailing Wage Determination survey did not at that time and does not now include any data for Garage Attendants. As an alternative, the Civil Service Commission used the agreement between Parking Employers and the Teamsters Automotive Employees, Local 665 as the benchmark for the highest general prevailing wage for Garage Attendants. This hourly rate is currently \$11.50 per hour.

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2. Under the provisions of Section 6.37 of the Administrative Code, the Civil Service Commission is required to submit data to the Board of Supervisors as to the highest general prevailing rate of wages of the various crafts and types of labor as paid in private employment in the City. The Budget Analyst notes that this data was not submitted to the Board of Supervisors between the years 1983 and 1988. According to Mr. Patrick Finney of the Civil Service Commission, this data was inadvertently not submitted to the Board of Supervisors between 1983 and 1988.

3. In the absence of approval from the Board of Supervisors of the highest general prevailing wage rates for the period 1983-1988, the Department of Public Works used the General Prevailing Wage Determination survey conducted by the State Department of Industrial Relations. Historically, this is the source of the data the Civil Service Commission provides to the Board of Supervisors for determination of the highest general prevailing wage rates. The General Prevailing Wage Determination survey data is the data which is being used as the basis for the highest general prevailing wage rates under the proposed resolution.

4. The Budget Analyst notes that under the provisions of Charter Section 7.204, the Board of Supervisors has authority to enact all necessary ordinances to carry out the terms of this section. The Budget Analyst has made an inquiry to the City Attorney's Office as to whether the proposed legislation, which is in the form of a resolution, should instead be an ordinance. The Budget Analyst has also made an inquiry to the City Attorney's Office as to whether any other changes are needed to amend the proposed legislation and if there are any legal consequences resulting from the Civil Service Commission not having submitted the necessary wage rate survey data to the Board of Supervisors between the years of 1983 and 1988. Such data is needed by the Board of Supervisors to approve legislation determining the highest general prevailing wage rates for those years.

Recommendation: The Budget Analyst recommends that the proposed resolution be continued to the call of the Chair pending a response from the City Attorney's Office concerning the inquiries raised by the Budget Analyst.

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BUDGET ANALYST

Item 7 - File 146-89-67

Department: Department of Public Health (DPH), Family Health Bureau

Item: Resolution to accept and expend a two-year continuation grant.

Amount: \$262,618

Source of Grant: U.S. Department of Health and Human Services, Bureau of Maternal and Child Health

Grant Period: October 1, 1989 through September 30, 1991 (two years)

Project: Youth Enrichment Support Services (Y.E.S.S.) Project

Project Description: The proposed funds would permit the project to continue providing counseling services during fiscal years 1989-90 and 1990-91 at the Balboa Teen Health Center for youth engaged in high-risk behavior. Project staff work on-site at Balboa High School with faculty, community agencies and families of referred students, to provide outreach and intervention services to reduce the personal and environmental factors which lead to high-risk behavior. DPH would continue to subcontract with Bayview Hunter's Point Foundation, a non-profit community agency, for the above mentioned services.

Grant Budget:

	<u>One-Year Budget</u>	<u>Total Two-Year Budget</u>
<u>Contractual</u>		
Bayview Hunter's Point (BVHP)		
Salaries (3.66 FTE per year)	\$79,284	\$158,568
Fringe Benefits	19,821	39,642
Evaluation Consultation	10,000	20,000
Case Management Consultation	10,000	20,000
Travel	1,500	3,000
Office Supplies	<u>793</u>	<u>1,586</u>
Subtotal BVHP	\$121,398	\$242,796
Indirect Costs	<u>9,911</u>	<u>19,822</u>
Total Grant Budget	\$131,309	\$262,618

BOARD OF SUPERVISORS
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of Persons to be Served:

Approximately 120 students.

Indirect Costs:

10 percent of personnel costs

Required Match:

None

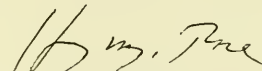
Comments:

1. On an annualized basis, the proposed grant amount for one year of \$131,309 is 8 percent more than the \$121,309 grant received for FY 1988-89.

2. The Board of Supervisors has not yet authorized the DPH to apply for the proposed grant. Therefore, the proposed resolution should be amended to authorize the DPH to apply for the proposed grant.

Recommendation:

Amend the proposed resolution to authorize the Department to apply for the proposed grant, and approve as amended.



Harvey M. Rose

cc: Supervisor Gonzalez
Supervisor Hsieh
Supervisor Alioto
President Britt
Supervisor Hallinan
Supervisor Hongisto
Supervisor Kennedy
Supervisor Maher
Supervisor Nelder
Supervisor Walker
Supervisor Ward
Clerk of the Board
Chief Administrative Officer
Controller
Carol Wilkins
Stacy Becker
Ted Lakey

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BUDGET ANALYST

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C A L E N D A R

MEETING OF

GOVERNMENTAL OPERATIONS COMMITTEE

BOARD OF SUPERVISORS

CITY AND COUNTY OF SAN FRANCISCO

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MONDAY, DECEMBER 4, 1989 - 10:00 A.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, HSIEH, ALIOTO

ABSENT: SUPERVISOR ALIOTO - ITEMS 1 AND 6

CLERK: GAIL JOHNSON

1. File 183-89-3. [Acceptance of Quitclaim Deeds] Resolution authorizing acceptance of a quitclaim deed for a roadway easement and a quitclaim deed for utility easements from Bridge Housing Corporation; and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

(Continued from 11/20/89)

ACTION: Recommended.

2. File 198-89-6. [Street Vacation] Resolution declaring intention of Board of Supervisors to vacate a portion of Channel Street west of Fifth Street and the intersection of Sixth and Channel Streets; and setting the hearing date for all persons interested in the proposed vacation; companion measure to File 198-89-6.1. (Department of Public Works)

(Continued from 11/20/89)

ACTION: Amended on page 2, line 3, by inserting "16th" following "the", inserting "January" following "of", replacing "1989" with "1990", and inserting "3:00" following "at". Recommended as amended.

3. File 198-89-6.1. [Street Vacation] Ordinance ordering vacation of a portion of Channel Street west of Fifth Street and the intersection of Sixth and Channel Streets; and adopting findings pursuant to City Planning Code Section 101.1; companion measure to File 198-89-6. (Department of Public Works)

(Continued from 11/20/89)

ACTION: To Board Without Recommendation for consideration on January 16, 1990.

4. File 47-89-9. [Award of Negotiated Lease] Resolution accepting Martin Lu as lessee of certain commercial space at Moscone Center Garage by negotiated agreement. (Real Estate Department)

ACTION: Recommended.

5. File 40-89-21. [Parking of Vehicles] Resolution extending boundaries of Residential Permit Parking Area "G" in the Pacific Heights area and adding Steiner Street, between Bush and Sutter Streets, east side; and Sutter Street, between Steiner and Fillmore Streets, north side, to the list of streets upon which time limitations shall apply. (Department of Public Works)

ACTION: Recommended.

6. File 106-89-8. [Salary and Wage] Resolution fixing highest generally prevailing wage rates, private employment on public contracts. (Civil Service Commission)

ACTION: Hearing held. Continued to December 11, 1989 meeting.

7. File 146-89-67. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau to accept and expend a grant of \$262,618 from the Federal Bureau of Maternal and Child Health for continuation of case management services for Fiscal Years 1989-90 and 1990-1991. (Mayor)

ACTION: Amended on lines 4 and 9, by inserting "apply for" following "to". Recommended as amended. New title: "Authorizing the Department of Public Health, Community Public Health Services, Family Health Bureau to apply for, accept and expend a grant of \$262,618 from the Federal Bureau of Maternal and Child Health for continuation of case management services for Fiscal Years 1989-90 and 1990-1991."

CITY AND COUNTY



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BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

December 7, 1989

TO: Governmental Operations Committee

FROM: Budget Analyst

SUBJECT: December 11, 1989 Governmental Operations Committee Meeting

Item 1 - File 97-89-20

Note: This item was continued at the November 20, 1989, Governmental Operations Committee meeting.

Item: Ordinance to amend the Administrative Code by adding Chapter 12G relating to the award of subcontracts by City prime construction contractors to small minority and small women business enterprises (SMBE/SWBE).

Description: 1. Based on the United States Supreme Court's decision in City of Richmond v. Croson, the City Attorney in February, 1989, advised departments and contracting awarding authorities to implement a race- and gender-neutral subcontracting program in place of the then existing race- and gender-conscious program, because the statistical basis for the latter had not been a part of the development of the original MBE/WBE/LBE Ordinance.

2. The Board of Supervisors adopted Ordinance No. 175-89, the MBE/WBE/LBE II Ordinance, on May 22, 1989. That Ordinance, which was subsequently signed into law, contains provisions limiting the application of race- and gender-conscious prime contracting remedies to narrowly defined contracting categories. Those contracting categories have been shown to have a statistically significant variance from the amount of contracting dollars that would be expected to go to minorities and women, based on the availability of such firms in particular contracting categories.

3. The proposed ordinance contains the following five findings with respect to the subcontracting practices of the City's prime contractors, based on oral and written testimony submitted in the MBE/WBE/LBE II Ordinance hearings, the 1983 and 1989 reports of the Human Rights Commission, the 1989 reports of the Budget Analyst, the 1989 report of BPA Economics, Inc., and relying upon the Board's knowledge about the City's compliance with the small minority and small women business contracting program:

a. The evidence before the Board reflecting that small minority and small women owned businesses are receiving City construction subcontracting dollars that are comparable to the availability of such businesses merely reflects that prime contractors competing for City construction contracts were complying with the City's SMBE/SWBE subcontracting program during FY 1987-88.

b. The weight of the testimony and other evidence before the Board indicates that nonminority construction contractors doing business with the City systematically exclude qualified SMBE/SWBE firms from subcontracting opportunities.

c. Race- and gender-neutral measures employed by the City since February 1989 have not prevented the City from being a passive participant in the systematic discrimination against SMBE/SWBE firms.

d. Unless the City takes positive steps to prevent discrimination against SMBE/SWBE firms by the City's prime contractors, the City will become a passive participant in the system of racial- and gender-based exclusion practiced by the City's prime construction contractors.

e. The City's SMBE/SWBE subcontracting program for construction contracts must be continued to prevent the City from once again becoming a passive participant in the systematic exclusion of SMBE/SWBE firms from subcontracting opportunities on City construction contracts.

4. The proposed ordinance contains the following provisions with respect to the policy, scope, definitions, powers and duties of the HRC and its Director, powers and duties of contract awarding authorities, SMBE/SWBE participation goals, monitoring and reporting, compliance, review and implementing instructions:

a. Policy: The City will rely on the relationship between the percentages of SMBE/SWBE firms in the relevant business community sector and their respective shares of City subcontract dollars as a measure of the effectiveness of this proposed ordinance.

b. Scope: The ordinance would apply only to the award of subcontract dollars by the City's prime construction contractors.

c. Definitions: Although the wording may be slightly different on a few of the definitions because of the emphasis on subcontracting as opposed to prime contracting, with the following exceptions, the definitions section is a subset of the definitions section of the MBE/WBE/LBE Ordinance II:

- (1) Back Contracting;
- (2) Economically Disadvantaged;
- (3) Small Minority Business Enterprise (SMBE);
- (4) Small Women Business Enterprise (SWBE);
- (5) Small Woman/Minority Man Business Enterprise (SW/MBE);
- (6) Subcontractor.

d. Powers and Duties: The Human Rights Commission would have the following powers and duties:

- (1) Data collection, analysis and reporting;
- (2) Levying sanctions;
- (3) Amending existing rules and regulations establishing standards and procedures for administering the ordinance.

e. The Director, Human Rights Commission, in addition to the duties and powers given elsewhere, would certify businesses as bona fide SMBE/SWBE firms and be responsible for providing information and assistance to SMBE/SWBE firms.

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f. City Departments or Contract Awarding Authorities would have the following powers and duties:

- (1) Impose such sanctions or take such other actions as are designed to ensure compliance with the provisions of the ordinance;
- (2) Not award any contract to a person or business who or which is disqualified from doing business with the City under the provisions of the ordinance.

g. All construction contracts would include the following requirements:

- (1) Require, where subcontracting is utilized, that the bidder demonstrate every "good faith effort" to subcontract with SMBE/SWBE firms;
- (2) Require a signed notarized statement declaring the intention to fully comply with the provisions of the Ordinance;
- (3) Incorporate the Ordinance by reference and provide that the failure of any bidder, contractor, or subcontractor to comply with any of its requirements shall be deemed a material breach of contract;
- (4) Incorporate liquidated damages provisions;
- (5) Specify the continuing responsibilities of prime contractors during the term of the contract with respect to fulfilling SMBE/SWBE participation commitments, good faith efforts to utilize SMBE/SWBE firms, urging subcontractors to utilize SMBE/SWBE firms, and maintaining records necessary for monitoring compliance with the provisions of the Ordinance.
- (6) Specify that whenever contract amendments are made which cumulatively increase the total dollar value of the contract by more than ten percent, the contractor shall comply with those SMBE and SWBE provisions of the Ordinance that applied to the original contract with respect to the amendment.
- (7) Prohibit "back contracting" to the prime contractor or higher tier subcontractor for any purpose inconsistent with the provisions of the Ordinance.

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h. SMBE and SWBE participation goals:

(1) Contracts for construction, the estimated cost of which exceeds \$50,000, would be awarded in accordance with the following standards and procedures:

(a) The Director, HRC, would set the SMBE and SWBE participation goals based on the degree to which such goals would contribute to increasing the participation of SMBEs and SWBEs in City contracts, the level of participation of SMBEs and SWBEs in contracts awarded by other governmental agencies in San Francisco, and the availability of SMBEs and SWBEs that are capable of performing the services required.

(b) Bids and proposals shall identify the particular SMBE/SWBE firms to be utilized in performing the contract, specifying for each the dollar value of the participation, the type of work to be performed, and such information as may reasonably be required to determine the responsiveness of the bid or proposal.

(c) During the term of the contract, any willful failure to comply with the levels of SMBE/SWBE participation identified in the bid or proposal shall be deemed a material breach of contract.

(d) A contracting awarding authority or a department may request the Director to waive the requirements with respect to this section, or to reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the Director prior to solicitation of bids or proposals. A contractor may request the contracting awarding authority or department to waive or reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the contract awarding authority at the time of the bid or proposal. The Director or the contract awarding authority, as the case may be, shall grant such a waiver or reduction of the SMBE/SWBE goal based on the nature of the work or availability of qualified SMBE/SWBE firms capable of performing the work.

i. Monitoring, Reporting, and Compliance: The requirements and responsibilities covering this subject are essentially the same as those in the MBE/WBE/LBE II Ordinance.

j. Review: The Commission shall review and report to the Board of Supervisors, the Chief Administrative Officer, and the Mayor annually on the extent of SMBE and SWBE participation in City prime construction contracts. If in the opinion of the Commission, the objectives of the Ordinance have been achieved in whole or in part, the Commission shall recommend to the Board of Supervisors that those sections be repealed. The Ordinance shall expire three years from its effective date unless extended by the City.

k. Implementing Regulations: The HRC shall, within 30 days of the enactment of this Ordinance, establish appropriate amendments to the rules, regulations, and procedures adopted and promulgated by the HRC pursuant to Ordinance 139-84. The public and affected agencies shall have the opportunity to provide input to and comment on the amendment to the regulations prior to their formal adoption. The rules and regulations shall provide for administrative procedures that allow a prime construction contractor to establish that the Ordinance's remedial measures should not be applied to the construction industry at the time that SMBE/SWBE participation in construction contracts has reached parity with the available number of SMBE/SWBE firms in the relevant business community and SMBE/SWBE firms no longer suffer from a competitive disadvantage in the construction industry.

Comments:

1. The proposed Ordinance is in a first draft form.

2. Findings one (point 3a.) and two (point 3b.), which are concerned with the degree of participation SMBE/SWBE firms have experienced in construction contracting in the City, as reflected in testimony before the Board of Supervisors, appear to be contradictory. Finding one states that evidence before the Board shows that SMBE/SWBE firms are awarded subcontract dollars that are comparable to the available numbers of SMBE/SWBE firms in the relevant market. Finding two states that evidence presented to the Board reflects that nonminority construction contractors competing for or doing business with the City systematically exclude qualified SMBE/SWBE firms from subcontracting opportunities on City construction contracts.

3. At the Governmental Operations Committee Meeting of November 20, 1989, the Budget Analyst was directed to obtain the names and MBE/WBE status of construction subcontractors on the 20 largest private construction developments within the City, initiated within the last five years. To date, the Budget Analyst has received listings of such projects from both the Department of City Planning and the Bureau of Building Inspection (BBI) of the Department of Public Works. The BBI listing also contains the building, plumbing, and electrical permits for most of the projects. The Budget Analyst is in the process of attempting to obtain listings of subcontractors.

Recommendation: Approval of this proposed ordinance is a policy matter for the Board of Supervisors.

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Item 3 - File 106-89-8

Note: This item was continued by the Governmental Operations Committee at its meeting of December 4, 1989.

Department: Civil Service Commission

Proposed Action: Resolution that the highest general prevailing rate of wages paid in private employment to various crafts in the City is determined and set forth in (a) the General Prevailing Wage Determination survey made by the Director of Industrial Relations of the State of California and (b) the agreement between Parking Employers and Teamster Automotive Employees, Local 665.

Description: 1. Charter Section 7.204 requires that contracts for public works or improvement involving construction or fabrication shall provide for the payment of the highest prevailing wage rates to all persons performing labor under such contracts.

2. Section 6.37 of the City's Administrative Code gives authority to the Board of Supervisors to fix and determine the highest general prevailing wage rates. To assist the Board in the determination of these wage rates, the Civil Service Commission is required to furnish, on an annual basis, data as to the highest general prevailing rate of wages of the various crafts and types of labor, including wages paid on holidays and for overtime, as paid by private employers in the City. In determining these wage rates, the Board of Supervisors is not limited to the data submitted by the Civil Service Commission but may consider such other information on the subject as it may deem proper.

Comments: 1. In April of 1989, the Board of Supervisors approved an ordinance (File No. 97-89-9) amending Section 6.36 of the Administrative Code requiring the payment of prevailing wages to Garage Attendant employees of contractors engaged in the operation and maintenance of City-owned parking lots and garages. However, the State's General Prevailing Wage Determination survey did not at that time and does not now include any data for Garage Attendants. As an alternative, the Civil Service Commission used the agreement between Parking Employers and the Teamsters Automotive Employees, Local 665 as the benchmark for the highest general prevailing wage for Garage Attendants. This hourly rate is currently \$11.50 per hour.

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2. Under the provisions of Section 6.37 of the Administrative Code, the Civil Service Commission is required to submit data to the Board of Supervisors as to the highest general prevailing rate of wages of the various crafts and types of labor as paid in private employment in the City. The Budget Analyst notes that this data was not submitted to the Board of Supervisors between the years 1983 and 1988. According to Mr. Patrick Finney of the Civil Service Commission, this data was inadvertently not submitted to the Board of Supervisors between 1983 and 1988.

3. In the absence of approval from the Board of Supervisors of the highest general prevailing wage rates for the period 1983-1988, the Department of Public Works used the General Prevailing Wage Determination survey conducted by the State Department of Industrial Relations. Historically, this is the source of the data the Civil Service Commission provides to the Board of Supervisors for determination of the highest general prevailing wage rates. The General Prevailing Wage Determination survey data is the data which is being used as the basis for the highest general prevailing wage rates under the proposed resolution.

4. The Budget Analyst notes that under the provisions of Charter Section 7.204, the Board of Supervisors has authority to enact all necessary ordinances to carry out the terms of this section. The Budget Analyst has made an inquiry to the City Attorney's Office as to whether the proposed legislation, which is in the form of a resolution, should instead be an ordinance. The Budget Analyst has also made an inquiry to the City Attorney's Office as to whether any other changes are needed to amend the proposed legislation and if there are any legal consequences resulting from the Civil Service Commission not having submitted the necessary wage rate survey data to the Board of Supervisors between the years of 1983 and 1988. Such data is needed by the Board of Supervisors to approve legislation determining the highest general prevailing wage rates for those years.

5. The City Attorney's Office has requested that this item be continued for one week in order to respond to the inquiries raised by the Budget Analyst.

Recommendation: Continue the proposed resolution for one week at the request of the City Attorney's Office.

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BUDGET ANALYST

Item 4 - File 55-89-1

Department: Department of Public Works

Item: Resolution amending the Golden Gate Bridge, Highway and Transportation District's shopper shuttle bus service route between the Ferry Building and Union Square annually during the Christmas holiday season.

Description: With permission from the Board of Supervisors (Resolution #762-84), the Golden Gate Bridge, Highway and Transportation District has provided, each year, a shopper shuttle bus service between the Ferry Building and Union Square during the Christmas holiday season. The shopper bus service operates only between the day after Thanksgiving and December 31, from 10:00 A.M. to 7:00 P.M. and is provided, free of charge, to the public.

The bus route currently operates via The Embarcadero, Washington Street, Battery, Pine Street, Montgomery Street, Sutter Street, Stockton Street, and returns via 4th Street, Folsom, and The Embarcadero back to the Ferry Building.

The Golden Gate Bridge, Highway and Transportation District has requested permission to revise the present route for the shopper shuttle bus service to run from the Ferry Building via The Embarcadero, Washington Street, Battery Street, Market Street, Sutter Street, Stockton Street, and to return to the Ferry Building via 4th Street, Folsom Street, Main Street, Howard Street, and The Embarcadero.

The Interdepartmental Staff Committee on Traffic and Transportation reviewed this proposed route change at their November 9, 1989 meeting and expressed no objections to the route change.

Comments:

1. If the proposed resolution is approved, the resolution granting permission by the City for the proposed route as described above will remain in effect until rescinded or amended.
2. Approval of this proposal would result in no cost to the City.

Recommendation: Approve the proposed resolution.

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Item 5 - File 64-89-38

Department: Public Administrator/Public Guardian

Location: 25 Van Ness Avenue, Suite 310

Purpose of Lease: Office Space

Lessor: Bay West Landmark Investors

**No. of Sq.Ft.
Cost/Month:** 1,168 sq.ft. @ \$1.33/sq.ft./mo. = \$1,558

Annual cost: \$18,696

**% Increase over
1988-89:** New Lease

**Utilities and Janitor
Provided by Lessor:** Yes

Term Of Lease: December 1, 1989 - December 31, 1992, subject to availability of funds.

Right of Renewal: The proposed lease includes two five-year options.

Source of Funds: Special Revenue Funds from the Representative Payee Program.

Comments:

1. On November 16, 1987, the Board of Supervisors adopted a resolution (File 288-87-3) appointing the Public Administrator/Guardian as the Representative Payee for a State-regulated program for mentally disabled San Francisco residents who are involuntarily placed in locked facilities called Institutions of Mental Disease (IMD). As a Representative Payee for the IMD program, the Department manages, secures and protects the client's assets from waste and theft during the time that the client remains in the locked facility. Mr. Ricardo Hernandez, Public Administrator/Guardian, reports that the Department has recently hired seven new, previously budgeted employees for the IMD program, and is now requesting additional space for the seven new employees.

2. The Public Administrator/Guardian currently has 38 staff, including 32 paid staff and 6 volunteer staff. This staff includes the recently hired seven new budgeted positions. The 38 staff of the Department currently occupies 5,825 square feet, or an average of 153 square feet per person, on the first and second floors in 25 Van Ness Avenue. The proposed lease would provide the Department with a total of 6,993 square feet, or an average of 184 square feet per person.

3. Mr. Hernandez states that the City's IMD program has grown and is expected to continue to grow due to increasingly stringent State regulations for private representative payees which have caused some private representative payees to close business. Mr. Hernandez reports that the number of IMD clients has grown from 80 clients in FY 1987-88 to 267 clients in FY 1988-89, and is expected to increase to 350 in FY 1989-90.

4. Mr. Gerald Romani of the Real Estate Department reports that the proposed rent represents fair market value.

Recommendation: Approve the proposed lease.

Item 6 - File 64-89-39

Department: Delinquency Prevention Commission
Location: 1095 Market Street, Rooms 201 and 202
Purpose of Lease: Office Space
Lessor: The Grant Building

No. of Sq. Ft.
Cost/Month: 550 sq. ft. @ \$1/sq. ft./mo. = \$550/mo.

Annual Cost: \$6,600

**% Decrease over
1988-89:** 2 percent

**Utilities and Janitor
Provided by Lessor:** Yes

Term of Lease: Upon approval by the Board of Supervisors to November 30, 1994, subject to availability of funds.

Right of Renewal: The proposed lease includes one five-year renewal option.

Source of Funds: General Fund

Comments: 1. As a result of the earthquake in October, 1989 the Delinquency Prevention Commission has been displaced from its 875 square feet of leased space at 170 Fell Street, which has been condemned. The Commission was released from their lease at 170 Fell Street effective October 18, 1989, where they had been located since 1978.

2. The proposed lease would provide substitute office space at 1095 Market Street for the three staff of the Commission. According to Mr. Gerald Romani of the Real Estate Department, the two rooms in the proposed lease, Rooms 201 and 202, would be combined by demolishing the adjoining wall. This improvement, along with other improvements, would be made at the sole cost of the lessor.

3. Mr. Romani of the Real Estate Department reports that the Commission staff have been operating out of their homes since the earthquake.

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4. The Commission's lease at 170 Fell Street provided 875 square feet at a rent of \$564 per month, or \$6,768 per year. The proposed space at 1095 Market Street is 325 square feet smaller than the space at 170 Fell Street. Mr. Romani indicates the Commission is considering a lease for additional office space in 1095 Market Street, which would be presented to the Board of Supervisors as separate legislation for approval at a future date.

5. Mr. Romani indicates that the lessor at 170 Fell Street, the San Francisco Unified School District, has paid for the Commission's moving expenses from 170 Fell Street to 1095 Market Street. Mr. Romani states that the Commission's furniture is temporarily being stored, at no cost to the City, in a room in 1095 Market Street, while Rooms 201 and 202 are being prepared.

6. Mr. Romani states that the proposed rent represents fair market value.

Recommendation: Approve the proposed resolution.

Item 7 - File 64-89-40

Department: Real Estate Department
Human Rights Commission
Commission on the Status of Women

Item: Resolution to authorize a new lease.

Location: 25 Van Ness Avenue, portion of third and fourth floors.

Purpose of Lease: Office space for the Human Rights Commission (HRC) staff and the Commission on the Status of Women (COSW) staff, which together comprise 42 staff members.

Lessor: Bay West Landmark Investors

No. of Sq. Ft. and Cost/Month: 7,747 sq.ft. @ \$1.38 sq. ft./mo. = \$10,652

Annual Cost: \$127,824

% Increase Over Present Lease: 71%. The annual increase would be from \$74,880 to \$127,824.

Term of Lease: February 1, 1990 through June 30, 1995 unless funds for rental payments are not appropriated, at which time the City may terminate the lease with ninety days prior written notice to the Lessor. Additionally, the City would pay its share of annual increases in operating expenses and real estate taxes, not to exceed seven percent per year.

**Janitorial Services/
Maintenance paid by:** Lessor

Source of Funds: 1989-1990 budget from February 1, 1990 through June 30, 1995.

Comments: 1. The Human Rights Commission and the Commission on the Status of Women staff are currently paying \$1.19/sq.ft./mo. for 5,232 square feet of space at 1095 Market Street. The rate per square foot at the proposed location would be \$1.38/sq.ft./mo.

BOARD OF SUPERVISORS
BUDGET ANALYST

2. The proposed location at 25 Van Ness Avenue would contain 7,747 sq. ft. on two floors and would represent an increase of 2,515 sq. ft. or 48% more space than the space of 5,232 at the existing facility located at 1095 Market Street. However, according to Mr. Harry Quinn of the Real Estate Department, approximately 6,585 sq. ft. of the total 7,747 sq. ft. are usable, the remainder being primarily aisle space. Thus, the average square footage per staff would increase from the current 124.6 sq. ft. per staff member to 156.8 sq. ft. per staff member.

3. This additional space request, according to Mr. David Treanor of the Human Rights Commission, is required to relieve serious overcrowding at the current location. In addition, Mr. Treanor has provided the following justification for HRC's leasing the proposed space:

a. The current location is a dangerous area, especially after dark. Furthermore, the situation in the building is such that office doors are required to be locked at all times. Mr. Treanor reports that several staff members have been accosted in the hallways and offices.

b. The layout of the current space does not facilitate the functional requirements of the HRC staff.

c. The location of the proposed site houses the San Francisco Aids Foundation, a major resource of the HRC staff, and is much closer to City Hall and other resource locations.

d. Custodial services are substandard at the present location.

e. The present building is unsuitable for telecommunications and, in its current condition, will not support the HRC's telecommunications requirement for extracting FAMIS and purchasing information to be used for enforcing the MBE/WBE ordinance.

f. The present building does not meet current Federal or State disability requirements.

4. Funds are budgeted for moving expenses and no supplemental funds would be needed.

5. The new space would be built-to-suit according to plans and specifications mutually agreed upon by the City and the Lessor. The Lessor would expend a minimum of \$158,183 for tenant improvements, of which sum the City would pay an amount, not to exceed \$18,183, which would be paid with the first month's rent. The \$18,183 is the amount required for private offices and interview rooms partitioning above the standard tenant improvement allowance. The \$18,183 would be available from the HRC's budget as a result of savings from a delay in this planned move.

6. The City would pay electricity costs at the new location. According to Mr. Harry Quinn of the Real Estate Department, these costs are estimated at \$0.04/ft./mo., or \$0.48 /ft./year. The total annual cost for such electricity costs would be approximately \$3,718.

7. Mr. Quinn reports that the lease rates and terms are in accordance with the fair market value of the property.

Recommendation:

Approve the proposed resolution.

Memo to Governmental Operations Committee
December 11, 1989 Governmental Operations Committee Meeting

Item 8 - File 64-89-41

Department: Real Estate Department
Controller's Office, Information Services Division (ISD)
Training Unit

Item: Resolution to authorize a new lease and ratify an action already taken

Location: 1212 Market Street, portion of 1st floor

Purpose of Lease: Office space for ISD Training Unit

Lessor: Graham Investment Limited

No. of Sq. Ft. and Cost/Month: 1,575 sq. ft. @ \$1.10/sq. ft. = \$1,733/month

Cost for Seven and One Half Month Term: \$12,997.50

Terms: Month-to-month, 30 day notice to cancel

% Increase Over Most Recent Lease: Monthly rent is 37% higher than the previous lease at 170 Fell Street (\$1,733 vs. \$1,265)

Utilities and Janitor Provided by Lessor: All except electricity.

Term of Lease: November 16, 1989 to June 30, 1990

Right of Renewal: None, since the ISD Training Unit plans to move to new rented space at 1155 Market Street on or about July 1, 1990. However, the lease can be continued after June 30, 1990 on a month-to-month basis.

Source of Funds: Interdepartmental Work Orders from previously budgeted 1989-90 funds.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The ISD Training Division was previously located at 170 Fell Street, renting 2,000 square feet of space from the San Francisco Unified School District (File 64-89-20). The earthquake of October 17, 1989 damaged the building at 170 Fell Street so that the space rented by the ISD Training Unit is now unusable. The building is currently condemned. The damaged building forced the ISD Training Unit to find another location for its offices. On November 16, 1989, the ISD Training Unit relocated to the 1212 Market Street building which is the subject location of this proposed lease. Because the ISD Training Unit has already relocated and has been occupying space in the 1212 Market Street building since November 16, 1989, the proposed resolution would also ratify an action previously taken.

2. Mr. Jerry Romani, Principal Real Property Officer, Real Estate Department, states that the lessor at the 170 Fell Street site, the San Francisco Unified School District, paid for the move of the ISD Training Unit from 170 Fell Street to the 1212 Market Street site.

3. The proposed month-to-month lease would provide space at 1212 Market Street, adjacent to space presently occupied by another ISD unit of the Controller's Office. The Controller's Office is requesting a lease only until June 30, 1990 because the two ISD units are to be moved to 1155 Market Street on or about July 1, 1990.

4. Mr. Romani of the Real Estate Department reports that the proposed monthly rental of \$1,733 represents the fair market rental of the space proposed to be leased.

Recommendation: Approve the proposed resolution.

Item 9 - File 65-89-9

Department: Real Estate Department
Public Utilities Commission
Hetch Hetchy Water and Power

Item: Ordinance to authorize and approve lease of City-owned property located at the intersection of Del Vale Avenue and O'Shaughnessy Boulevard to the Miraloma Park Improvement Club.

Lessee: Miraloma Park Improvement Club

Location: Property (portion of Lot 35) in Assessor's Block 2944A at the northwest corner of Del Vale Avenue and O'Shaughnessy Boulevard (see attached map).

Size: 16,600 square feet

Term of Leases Month-to-month. No change from existing lease.

Lease Amount: One (1) dollar per year payable by Miraloma Park Improvement Club to the City.

Purpose: To approve a month-to-month lease with the Miraloma Park Improvement Club for an automobile parking lot serving community activities at the Miraloma Park Improvement Club and for direct access from Del Vale Avenue to Lot 16, the parcel on which the Miraloma Park Improvement Club is located.

The proposed use has been effective since the alignment of Del Vale Avenue was changed when O'Shaughnessy Boulevard was dedicated in 1942, and access by the Miraloma Park Improvement Club to a public street was eliminated as their property (Lot 16) no longer bordered on Del Vale Avenue. Egress to O'Shaughnessy Boulevard from Lot 35 cannot be made because this right-of-way has limited access.

Item 9 - File 65-89-9

Department: Real Estate Department
Public Utilities Commission
Hetch Hetchy Water and Power

Item: Ordinance to authorize and approve lease of City-owned property located at the intersection of Del Vale Avenue and O'Shaughnessy Boulevard to the Miraloma Park Improvement Club.

Lessee: Miraloma Park Improvement Club

Location: Property (portion of Lot 35) in Assessor's Block 2944A at the northwest corner of Del Vale Avenue and O'Shaughnessy Boulevard (see attached map).

Size: 16,600 square feet

Term of Leases Month-to-month. No change from existing lease.

Lease Amount: One (1) dollar per year payable by Miraloma Park Improvement Club to the City.

Purpose: To approve a month-to-month lease with the Miraloma Park Improvement Club for an automobile parking lot serving community activities at the Miraloma Park Improvement Club and for direct access from Del Vale Avenue to Lot 16, the parcel on which the Miraloma Park Improvement Club is located.

The proposed use has been effective since the alignment of Del Vale Avenue was changed when O'Shaughnessy Boulevard was dedicated in 1942, and access by the Miraloma Park Improvement Club to a public street was eliminated as their property (Lot 16) no longer bordered on Del Vale Avenue. Egress to O'Shaughnessy Boulevard from Lot 35 cannot be made because this right-of-way has limited access.

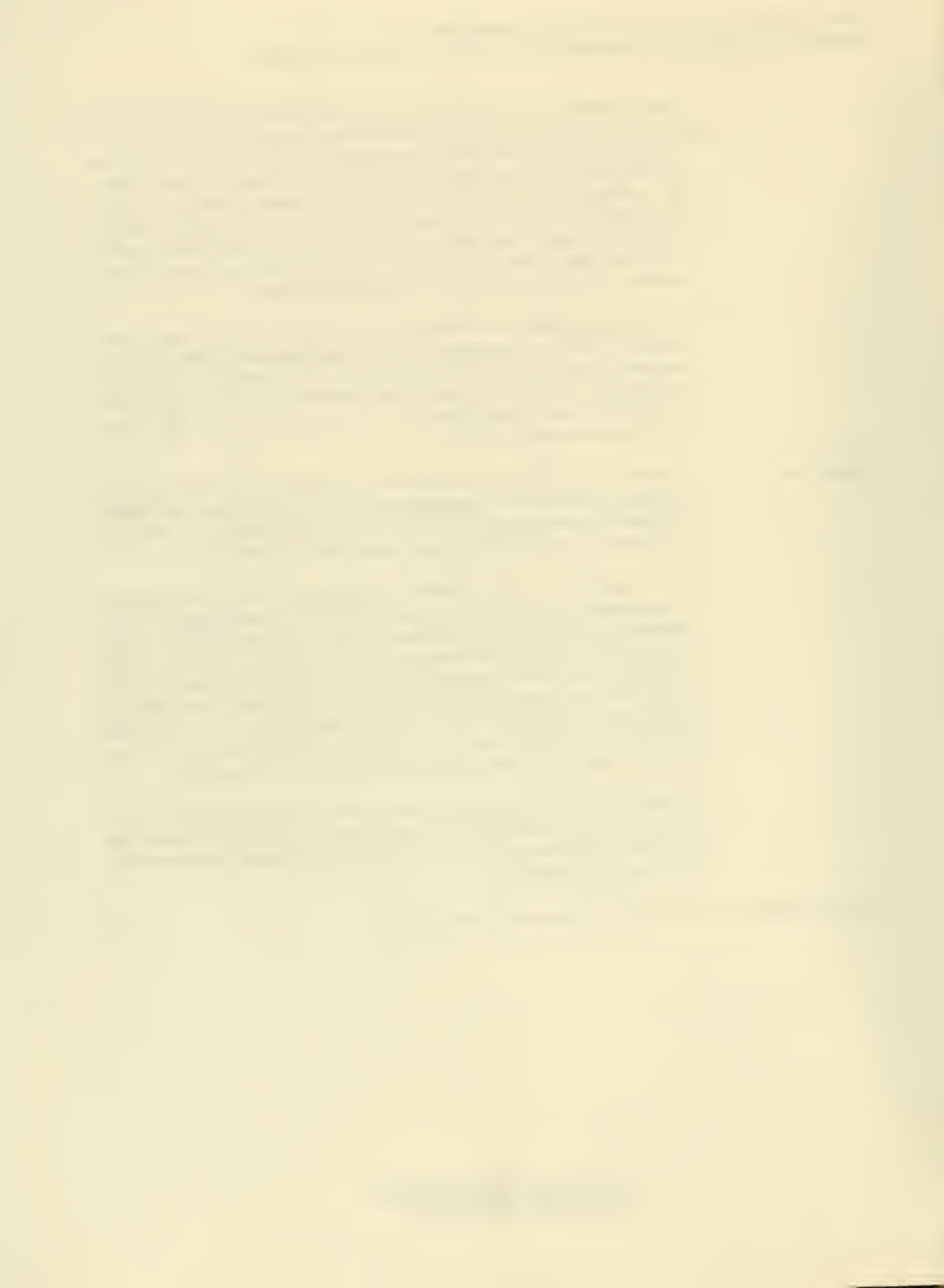
The existing lease approved in 1943 provided for the rental of a portion of Lot 35 as described in this legislation at \$1.00 per year. The Miraloma Park Improvement Club has rented the subject property from the City over the past forty-six (46) years for access to their property and for off-street parking at the same annual cost of \$1.00 per year. The proposed lease would extend the existing lease on a permanent month-to-month basis for the current use and cost of \$1.00 per year for off-street parking as provided in the existing lease.

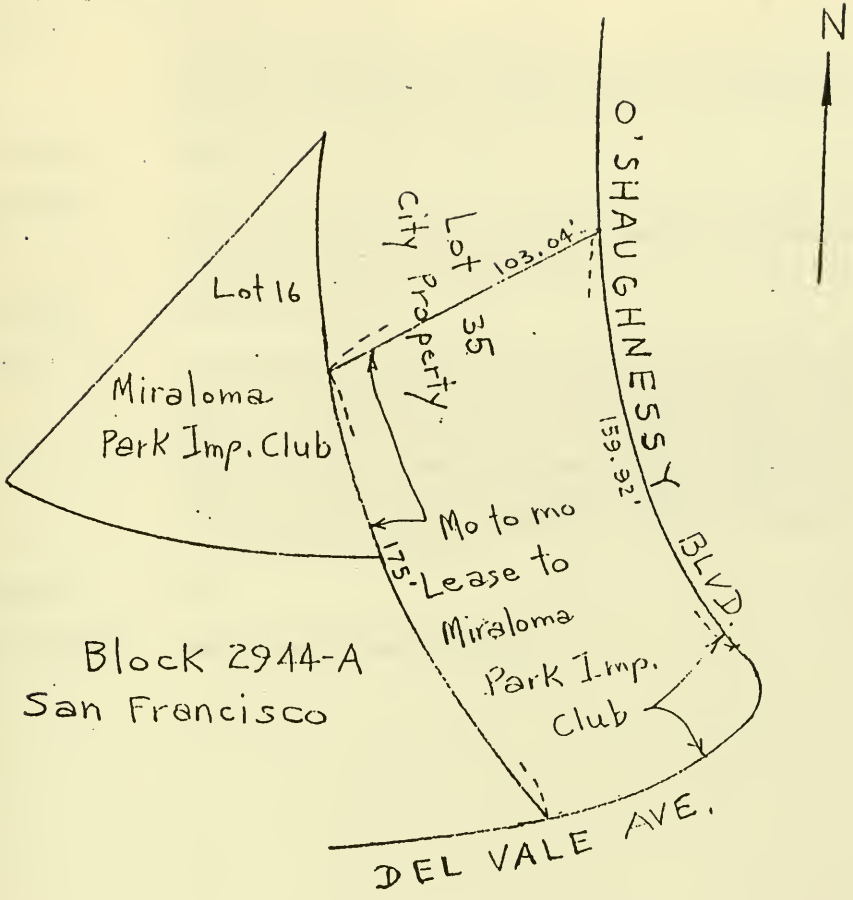
The proposed lease would add an insurance provision of one million dollars of combined single limit general liability and property damage to protect the City. This would be the only substantive change between the current and proposed lease. The insurance premiums are to be paid by the Miraloma Park Improvement Club.

Comments:

1. Hetch Hetchy Water and Power recently requested the Real Estate Department to determine if the current lease reflected the most appropriate use for the subject property or whether a change in use would be more beneficial to the City.
2. According to Mr. Robert Haslam, of the Real Estate Department, the current use should be continued on a permanent basis under a month-to-month lease between the Miraloma Park Improvement Club and the City. The property is currently zoned for open space with a zero height limitation and parking is allowed under a special use permit. Mr. Haslam advises that a survey undertaken by the Real Estate Department has concluded that there are no other potential users for the property in question at this time.
3. Mr. Haslam also advises that if a more appropriate use for the property is identified in the future, the proposed lease has a 30-day notification clause which could be used to terminate the rental agreement.

Recommendation: Approve the proposed ordinance.





Block 2944-A
San Francisco

Scale 1" = 50'
EPC 10-30-58



Item 11 - File 147-89-5

Department: San Francisco Public Library

Item: Resolution authorizing the City Librarian to accept and expend new Federal grant funds.

Grant Amount: \$2,975

Source of Grant Funds: Federal Library Service and Construction Act Funds through the California State Library

Grant Period: Fiscal Year 1989-90

Description: The proposed grant funds would be used to purchase and install a telefacsimile machine at the Chinatown Branch Library. According to Ms. Karen Cox of the Library, this equipment would (1) enhance the ability of the Chinatown Branch to share its unique resources and materials (i.e. a variety of information on Chinese culture) with other California libraries and (2) expedite library user's requests for these unique resources.

Local Match: None

Recommendation: Approve the proposed resolution.



Items 12 and 13 - Files 148-89-7 and 148-89-8

Agency: Department of Public Works (DPW)

Item: Item 12 (File 148-89-7) is a resolution authorizing the Director of Public Works to apply for, accept, and expend State Natural Disaster Assistance Act funds to repair earthquake-damaged streets located off the Federal-aid Highway system and authorizing the Director of Public Works to proceed with the work under emergency contract. Item 13 (File 148-89-8) is a resolution authorizing the Director of Public Works to apply for, accept, and expend Federal Emergency Management Administration (FEMA) funds to repair earthquake-damaged streets located off the Federal-aid Highway system and authorizing the Director of Public Works to proceed with the work under emergency contract.

Amount of Grants:	<u>Amount</u>	<u>Percent</u>
FEMA funds	\$2,457,000	75
State Assistance funds	<u>819,000</u>	<u>25</u>
Total	\$3,276,000	100

Source of Grants: Federal Emergency Management Administration funds.
State Natural Disaster Assistance Act funds.

Description: According to DPW, the October 17, 1989 earthquake damaged several hundred City streets, many of which are located off the Federal-aid Highway System and are not eligible for Federal-aid Urban (FAU) funds. However, the Federal Emergency Management Administration (FEMA) will provide disaster assistance funds to pay for up to 75 percent of all eligible costs associated with repairing earthquake-damaged streets located off the Federal-aid Highway system. Item 13 (File 148-89-8) would authorize the Director of Public Works to apply for, accept, and expend these Federal funds.

Normally, the City would be responsible for providing the remaining 25 percent match, but AB42X, the Natural Disaster Assistance Act recently approved by the State, provides State natural disaster assistance funds to pay for up to 100 percent of the City's 25 percent share. Item 12 (File 148-89-7) would authorize the Director of Public Works to apply for, accept, and expend these 25 percent State funds to be matched with the 75 percent FEMA funds for repair of the City's earthquake-damaged streets.

BOARD OF SUPERVISORS
BUDGET ANALYST



FEMA has inspected the City's damaged streets and road structures and has identified 44 sites as being eligible for FEMA assistance totalling \$2,620,130 (See attachment). In addition DPW has estimated that approximately 25 percent more damage, or about \$655,870 in unforeseen costs, may exist below the surface of the roadway. Therefore, total estimated costs amount to \$3,276,000. The unforeseen costs, upon documentation, would be eligible for FEMA and State Natural Disaster Assistance funding.

All repair projects must be completed within two years to receive the State and Federal assistance requested.

Total costs and funding sources are summarized as follows:

Estimated Damages:	<u>Total Costs</u>
Damage to streets	\$2,589,330
Unforeseen damage to streets (25%)	647,333
Damage to road structures (such as bridges)	30,800
Unforeseen damage to structures (25%)	<u>7,700</u>
Total	\$3,275,163
Rounded to	\$3,276,000
Source of Funds:	<u>Total Sources</u>
FEMA funds	\$2,457,000
State Natural Disaster Assistance	<u>819,000</u>
Total	\$3,276,000

Contract Procedure: The proposed legislation also authorizes the Director of Public Works to proceed with the road repair work under emergency contract procedures. Mr. Vitaly Troyan of DPW reports that all listed earthquake repair projects would be classified as Class B emergencies and would be subject to accelerated advertising and competitive bid procedures. DPW's Class B emergency procedure also allows the selected contractor to begin construction while at the same time the City processes the contract and various required documents. Normal contract procedure requires that the various insurance certificates and performance bonds be submitted by the contractor, the contract approved and signed by the City and the contractor, and the contract funds certified by the Controller's Office prior to the



commencement of work by the contractor. The normal procedure usually requires a month to six weeks to complete once the bid award is made and before contract work can begin.

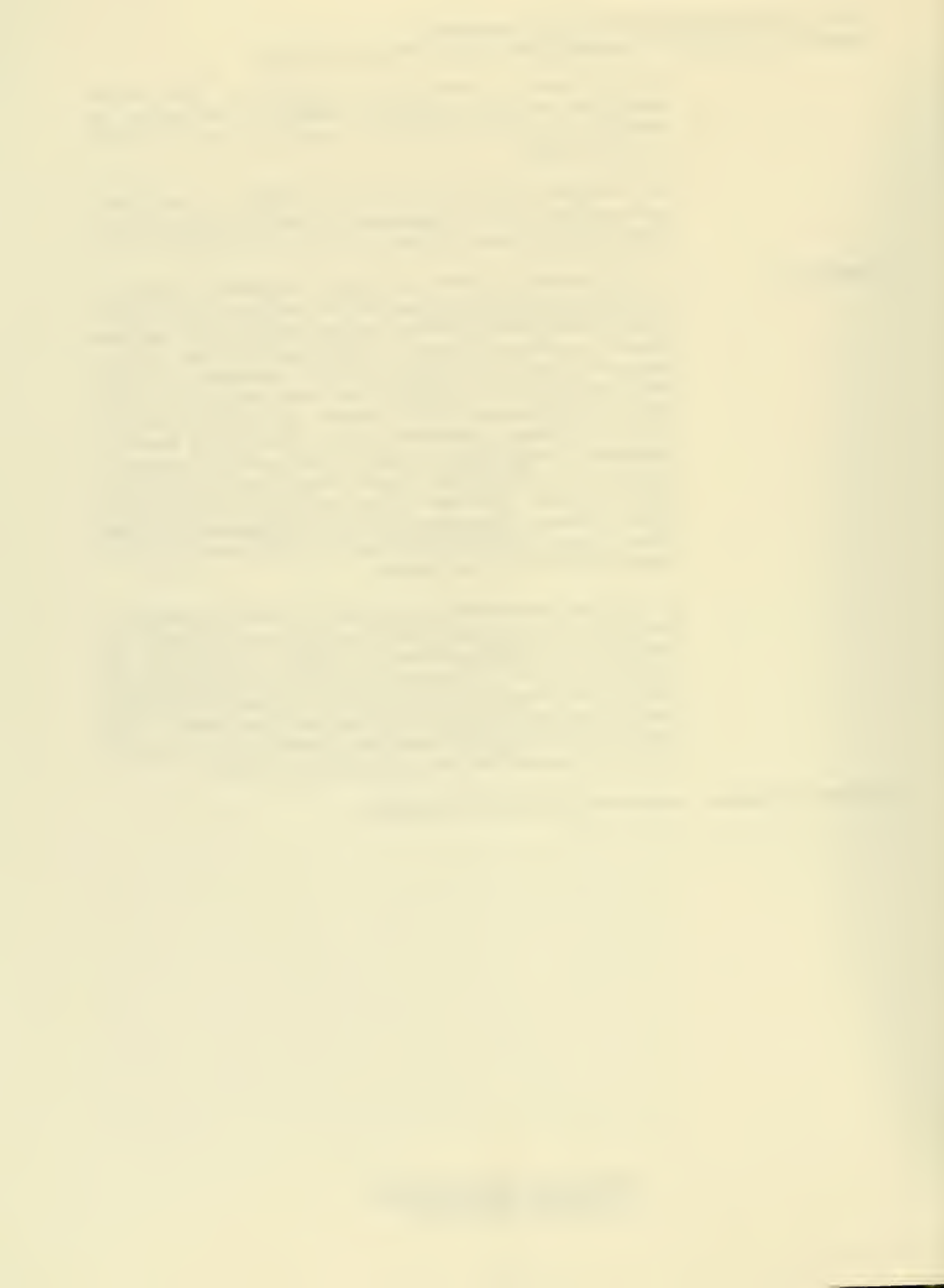
Mr. Troyan further reports that DPW is conducting extensive outreach to prospective MBE/WBE firms to inform them of the existence of these future repair contracts.

Comments:

1. On November 6, 1989, the Board of Supervisors approved a supplemental appropriation of \$12 million in 1987 Street Repair Bond funds, which included \$9,150,569 that was placed in reserve pending an assessment of the damage incurred from the October 17, 1989 earthquake. Of the \$9,150,569 reserved, \$739,000 has been released to repair earthquake-damaged FAU streets partially funded by Federal Highway Administration monies. DPW has also submitted a request for release of reserve in the amount of \$3,276,000 in 1987 Street Repair Bond funds to pay for the repair projects. That item (File 101-89-21.2) is calendared for the Finance Committee meeting of December 13, 1989. These funds will be reimbursed by FEMA and the State upon completion of the projects.

2. Mr. Troyan estimates that between 5 and 25 percent of the total estimated costs of the repairs may be classified as ineligible for reimbursement by FEMA. Therefore, the actual cost to the City is estimated to be between \$163,800 and \$819,000 to repair all of the estimated costs of \$3,276,000 for the earthquake damage related projects listed. Those costs declared ineligible would be drawn from the reserves released from the 1987 Street Repair Bond Fund.

Recommendations: Approved the proposed resolution.



EARTHQUAKE DAMAGE ASSESSMENT

Road System
C1 Streets (Non FAU)

LINE ITEM NO.	SITES	ESTIMATED DAMAGES*
C1-1	AVILA STREET, CHESTNUT ST TO MARINA BLVD	\$187,000
C1-2	BAKER STREET, JEFFERSON ST TO MARINA BLVD	\$2,400
C1-3	BAY STREET, BAKER ST TO SCOTT ST	\$152,500
C1-4	BEACH STREET, BAKER ST TO BUCHANAN ST	\$326,000
C1-5	BERRY STREET, 5TH TO 6TH STS	\$37,000
C1-6	BRODERICK STREET, CHESTNUT ST TO MARINA BLVD	\$152,400
C1-7	CAPRA WAY, SCOTT ST TO MALLORCA WAY	\$54,000
C1-8	CASA WAY, RETIRO WAY TO MARINA BLVD	\$15,000
C1-9	CLINTON PARK, GUERRERO TO VALENCIA STS	\$630
C1-10	ELGIN PARK, MCCOPPIN TO DUBOCE STS	\$0
C1-11	15TH STREET, FOLSOM TO HARRISON STS	\$37,600
C1-12	FILLMORE STREET, BAY ST TO MARINA BLVD	\$400,000
C1-13	FRANCISCO STREET, BAKER ST TO SCOTT ST	\$77,400
C1-14	JEFFERSON STREET, BRODERICK ST TO WEBSTER ST	\$135,500
C1-15	MALLORCA WAY, BEACH ST TO ALHAMBRA ST	\$48,500
C1-16	NORTH POINT STREET, BAKER ST TO BUCHANAN ST	\$254,000
C1-17	PARK STREET, HANDOVER TO SAN JOSE	\$0
C1-18	PIERCE STREET, CHESTNUT ST TO BEACH ST	\$175,500
C1-19	PRADO WAY, SCOTT ST TO CERVANTES ST	\$13,400
C1-20	RETIRO WAY, BEACH ST TO FILLMORE ST	\$7,400
C1-21	RICO WAY, AVILA ST TO RETIRO WAY	\$104,000
C1-22	SCOTT STREET, CHESTNUT ST TO MARINA BLVD	\$210,200
C1-23	SPEAR STREET, MISSION TO HOWARD STS	\$40,900
C1-24	WEBSTER STREET, JEFFERSON ST TO BAY ST	\$158,000
	S U B T O T A L	\$2,589,330
	CONTINGENCY, UNFORESEEN WORK(25%)	\$647,333
	T O T A L (S T R E E T S)	\$3,236,663

* INCLUDES DESIGN AND CONSTRUCTION MANAGEMENT COSTS

TPF
11/27/85



EARTHQUAKE DAMAGE ASSESSMENT
ROAD SYSTEM
C3 BRIDGES
C4 OTHER (ROAD STRUCTURES)

LINE ITEM NO.	SITES	ESTIMATED DAMAGES*
C3-1	FAITH STREET, HOLLADAY AVE TO BAYSHORE BLVD	\$1,000
C3-2	WHIPPLE AVE, SAN JOSE AVE TO FARALLONES ST	\$1,500
C3-5	INTERSECTION OF ARMY AND HAMPSHIRE STREETS	\$300
C3-6	INTERSECTION OF SAN JOSE AND ST MARY'S AVENUES	\$1,000
C4-1	INTERSECTION OF CLAYTON ST AND ASHBURY HT	\$1,500
C4-2	GOLDEN GATE HT	\$2,000
C4-3	DETROIT STREET, MONTEREY BLVD TO HEAR ST	\$1,500
C4-4	HOLLADAY AVENUE, BAYSHORE BLVD TO PERALTA ST	\$1,000
C4-5	HOLLADAY AVENUE, ADAM TO PERALTA STS	\$500
C4-6	PERALTA STREET, YORK TO HOLLADAY STS	\$1,000
C4-7	SOUTHERN HEIGHTS AVE, RHODE IS TO CAROLINA STS	\$2,000
C4-8	CAROLINA STREET, 22ND TO 23RD STS	\$1,500
C4-10	FARNSWORTH LANE, EDGEWOOD TO WILLARD STS	\$2,000
C4-11	CASITAS AVENUE	\$4,000
C4-12	OPALO LANE	\$1,000
C4-13	CHILTON AVENUE	\$500
C4-14	BURNETT AVENUE	\$2,000
C4-15	BISHOP STREET, ANKENY TO HARKNESS STS	\$1,500
C4-17	BROADWAY AVE, MASON TO LARKIN STS	\$5,000
C4-24	VARIOUS STREET LOCATIONS	NA
C4-25	EMBARCADERO SEAWALL	NA
	SUB-TOTAL	\$30,800
	CONTINGENCY, UNFORESEEN WORK (25%)	\$7,700
	TOTAL (BRIDGES & ROAD STRUCTURES)=	\$38,500
		\$3,275,163
	GRAND TOTAL =	\$3,276,000
	SAY	\$3,276,000

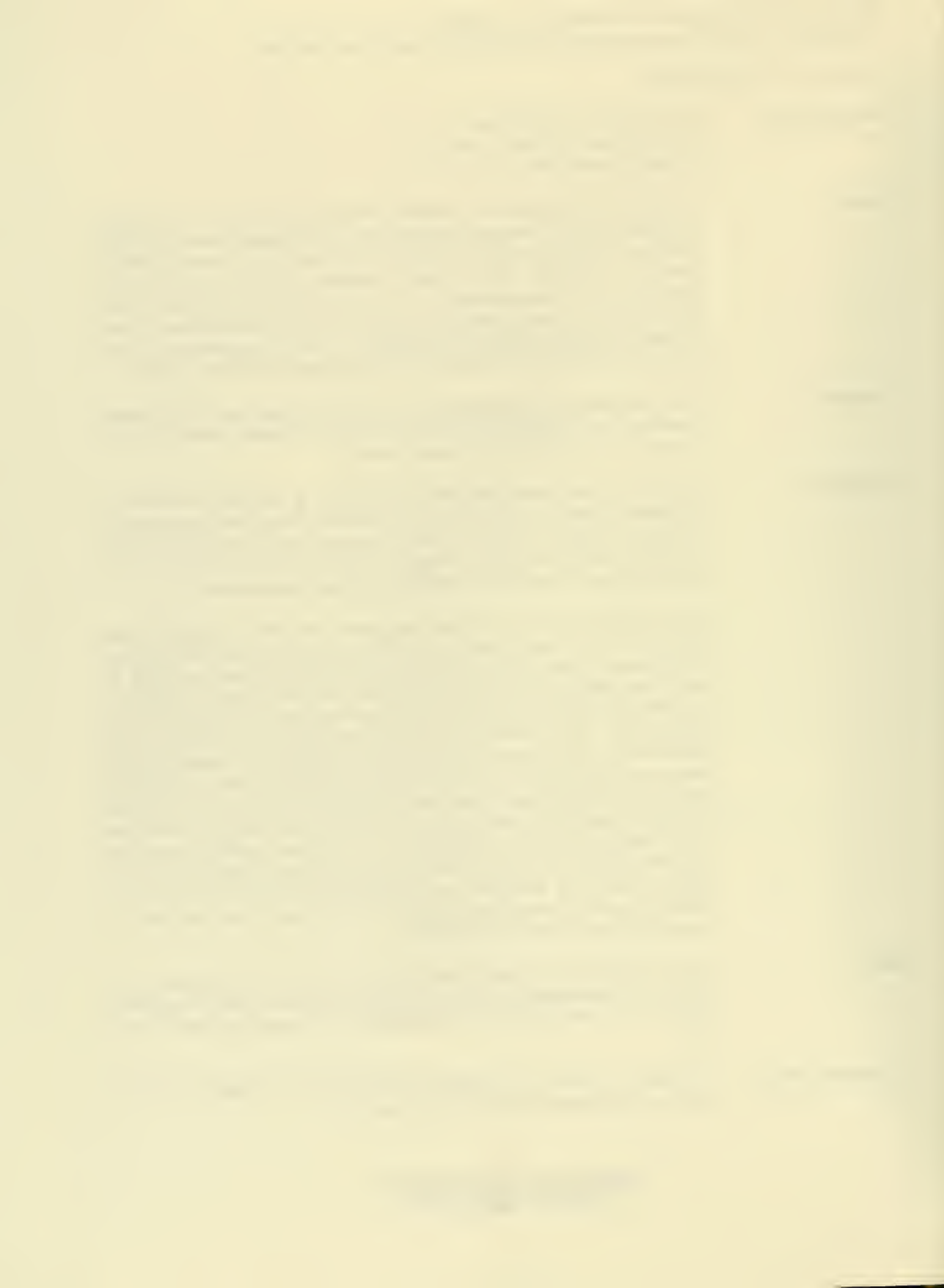
* INCLUDES DESIGN AND CONSTRUCTION MANAGEMENT COSTS



Item 14 - File 199-89-3

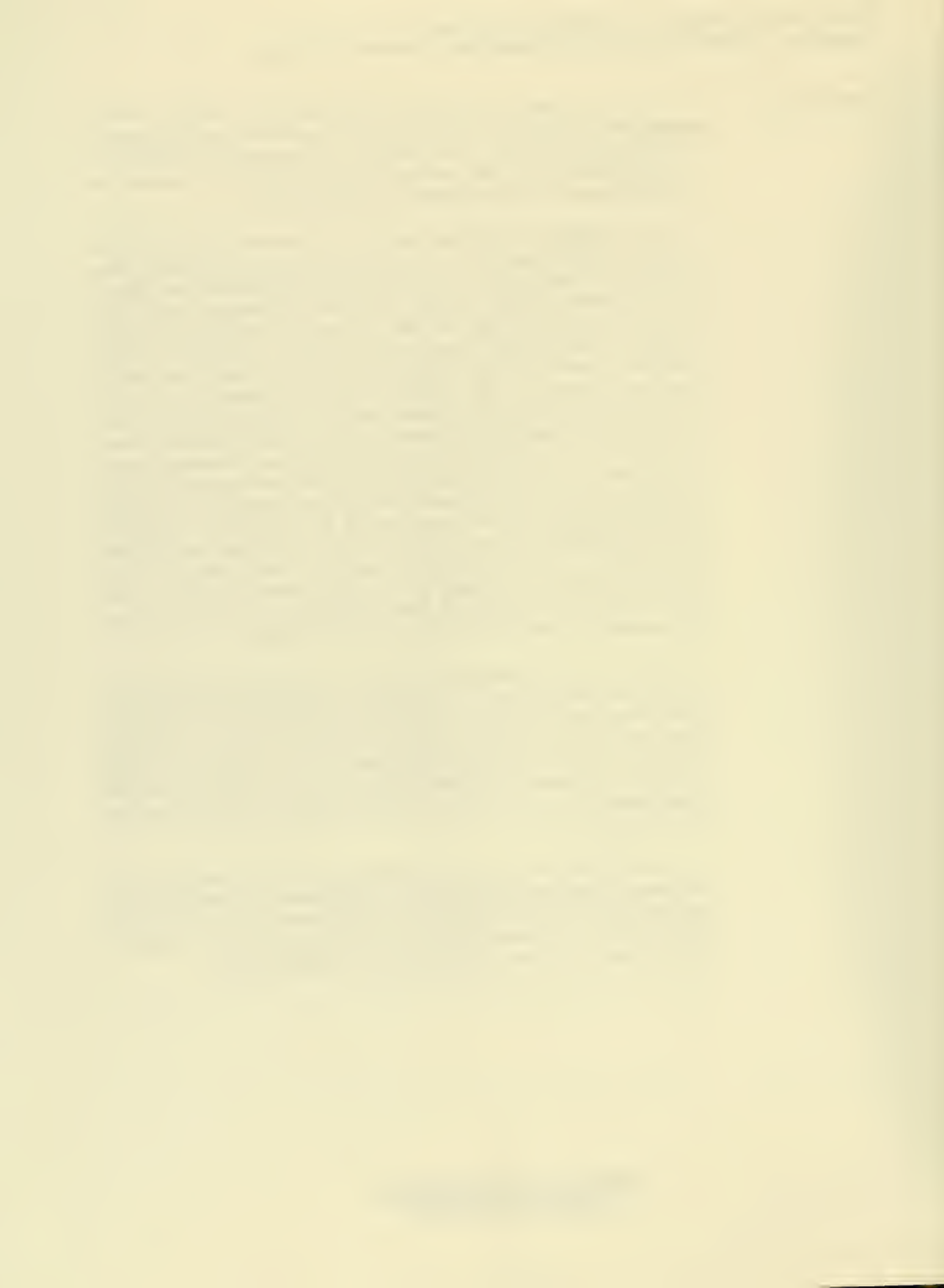
- Department:** Real Estate Department
Department of Public Works
Water Department
- Item:** Ordinance to transfer a vacated portion of the former Crescent Avenue west of Putnam Street from the Department of Public Works to the Water Department to be used as a leased parking area, in exchange for a surplus portion of Water Department property to be transferred to the Department of Public Works for dedication as a realigned portion of Crescent Avenue, and to adopt findings that the transfer of land is consistent with the eight priority policies of City Planning Code Section 101.1.
- Location:** The exchange of property is at the intersection of Crescent Avenue and Putnam Street at the bus turn-around for the Farmer's Market (see attached map).
- Purpose:** To allow the jurisdictional transfer of a vacated portion of Crescent Avenue west of Putnam Street from the Department of Public Works to the Water Department in exchange for a surplus parcel of Water Department property which will be dedicated as a realigned portion of Crescent Avenue.
- The Director of Property has reported that the vacated portion of Crescent Avenue, totalling 6,120 square feet, can be used by the Water Department as leased space for the parking of vehicles associated with the operation of the Farmer's Market, an activity of the Department of Agriculture and Weights and Measures. The Director of Property has found that 9,818 square feet of adjacent Water Department land is equivalent in value and would be transferred to the Department of Public Works to be dedicated as the realigned portion of Crescent Avenue completed several years ago with the completion of the interchange at Routes 280 and 101. This lease will be awarded by the Water Department because the Department of Agriculture and Weights and Measures requested the Water Department to lease the property and because the property is owned by the Water Department.
- Size:** Water Department land totalling 9,818 square feet (Parcel "A") would be exchanged for Department of Public Works vacated portion of Crescent Avenue totalling 6,120 square feet (Parcel "B").
- Purchase Price:** No cost as this is a proposed jurisdictional transfer of City property between two City departments.

BOARD OF SUPERVISORS
BUDGET ANALYST



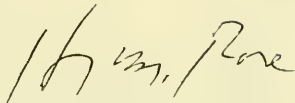
Comments:

1. The exchange of property reflects the current actual alignment of Crescent Avenue as it approaches and intersects with Putnam Street. The exchange of property permits the actual dedication of this portion of Crescent Avenue under the jurisdiction of the Department of Public Works.
2. The transfer of a former portion of Crescent Avenue to the Water Department, as is being proposed under this legislation, will permit the leasing of one contiguous parcel for off-street parking serving activities associated with the Farmer's Market such as the selling of fish and produce directly from parked trucks and vans. According to Mr. Richard Tanaka of the Water Department, Parcel 36, which includes Parcel "B" (the DPW parcel to be transferred to the Water Department, see attached map), will be leased for a five-year period by the Water Department to an independent lessee, Van Van Vo, for \$3,750 per month to replace an existing lease which did not contain Parcel B for \$2,500, an increase in lease revenues of \$1,250 per month (\$15,000 per year). Mr. Tanaka indicated that the new lease would hold the City harmless from all liability for the entire off-street parking area (Parcel 36) which is not currently the case for that portion of the property which is proposed to be relinquished by DPW. This prior lease was with K&H Fish Company, which has moved its operation to another property in the vicinity.
3. Since the new lease with Van Van Vo is estimated to result in revenue to the Water Department of \$225,000 over the five-year lease period, it is not subject to approval by the Board of Supervisors, per Section 7.402-1 of the City Charter. Section 7.402-1 of the City Charter specifies that only such leases with anticipated revenue of \$1,000,000 or more or with time periods in excess of 10 years shall be subject to approval by the Board of Supervisors.
4. According to the Department of City Planning, the exchange of property between the Department of Public Works and the Water Department is in conformance with the City's Master Plan, and has been reviewed for consistency with the Eight Priority Policies of Planning Code Section 101.1.



Memo to Governmental Operations Committee
December 11, 1989 Governmental Operations Committee Meeting

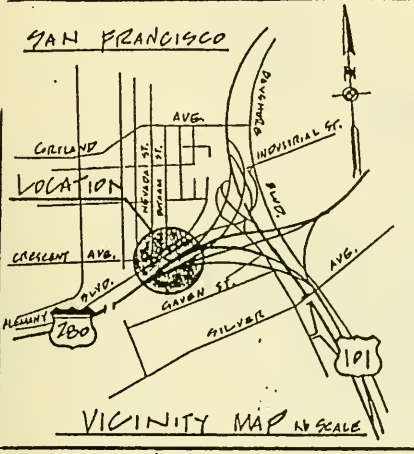
Recommendation: Approve the proposed resolution.


/Harvey M. Rose

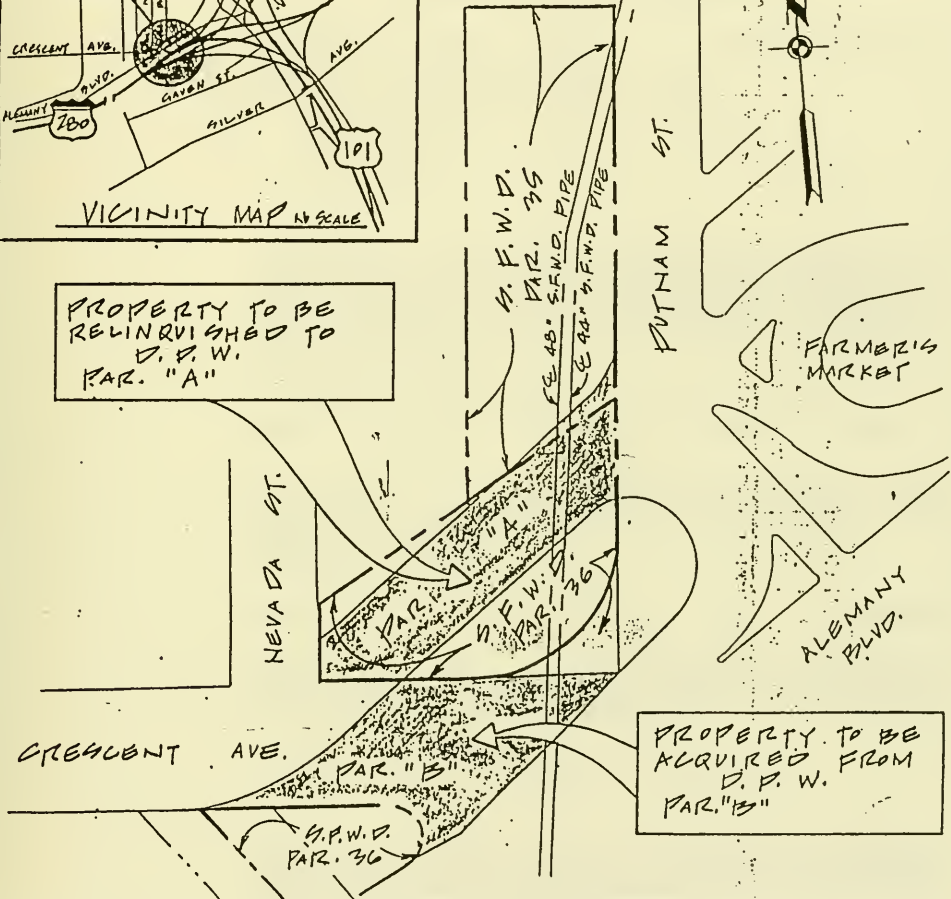
cc: Supervisor Gonzalez
Supervisor Hsieh
Supervisor Alioto
President Britt
Supervisor Hallinan
Supervisor Hongisto
Supervisor Kennedy
Supervisor Maher
Supervisor Nelder
Supervisor Walker
Supervisor Ward
Clerk of the Board
Chief Administrative Officer
Controller
Carol Wilkins
Stacy Becker
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST





PROPERTY TO BE
RELINQUISHED TO
D. P. W.
PAR. "A"



PROPERTY TO BE
ACQUIRED FROM
D. P. W.
PAR. "B"

CITY AND COUNTY OF SAN FRANCISCO
PUBLIC UTILITIES COMMISSION
SAN FRANCISCO WATER DEPARTMENT

JURISDICTIONAL EXCHANGE LANDS
BETWEEN WATER DEPARTMENT AND
DEPARTMENT OF PUBLIC WORKS



SF
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12/11/89

*Action
Taken*

DOCUMENTS DEPT.

DEC 13 1989

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C A L E N D A R
M E E T I N G O F

G O V E R N M E N T A L O P E R A T I O N S C O M M I T T E E
B O A R D O F S U P E R V I S O R S
C I T Y A N D C O U N T Y O F S A N F R A N C I S C O

MONDAY, DECEMBER 11, 1989 - 10:00 A.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, HSIEH, ALIOTO

ABSENT: SUPERVISOR ALIOTO - ITEMS 1, 2, 4 AND 8 - 14

CLERK: GAIL JOHNSON

1. File 97-89-20. [Small Minority and Small Women Business Enterprises] DRAFT ordinance amending the Administrative Code by adding Chapter 12G, relating to the award of subcontracts by City and County prime construction contractors to small minority and small women business enterprises. (Supervisors Kennedy, Ward, Maher)

(Continued from 11/20/89)

ACTION: Hearing held. Continued to December 18, 1989 meeting.

2. File 40-89-16.1. Hearing to consider progress report of the Task Force on the Residential Permit Parking Program. (Supervisor Gonzalez)

(Continued from 11/13/89)

ACTION: Hearing held. Continued to January 2, 1990 meeting.

3. File 106-89-8. [Salary and Wage] Resolution fixing highest generally prevailing wage rates, private employment on public contracts. (Civil Service Commission)

(Continued from 12/4/89)

ACTION: Continued to December 18, 1989 meeting.

4. File 55-89-1. [Public Transportation] Resolution amending the Golden Gate Bridge, Highway and Transportation District's Shopper Shuttle Bus Service Route between the Ferry Building and Union Square annually during the Christmas holiday season. (Department of Public Works)

ACTION: Recommended.

5. File 64-89-38. [Lease of Property] Resolution authorizing lease of real property at 25 Van Ness Avenue, Suite 310, for offices for the Public Administrator/Guardian. (Real Estate Department)

ACTION: Recommended.



6. File 64-89-39. [Lease of Property] Resolution authorizing lease of real property at 1095 Market Street, Rooms 201 and 202, for offices for the Delinquency Prevention Commission. (Real Estate Department)

ACTION: Recommended. (TO BOARD AS A COMMITTEE REPORT FOR CONSIDERATION ON DECEMBER 18, 1989.)

7. File 64-89-40. [Lease of Property] Resolution authorizing lease of real property at 25 Van Ness Avenue, portion of Third and Fourth Floors, Suites 325 and 425, for offices for the Human Rights Commission. (Real Estate Department)

ACTION: Recommended. (TO BOARD AS A COMMITTEE REPORT FOR CONSIDERATION ON DECEMBER 18, 1989.)

8. File 64-89-41. [Lease of Real Property] Resolution authorizing lease of real property at 1212 Market Street, portion of first floor, for offices for the Controller's Information Services Division (ISD) education center, for the Controller's Office. (Real Estate Department)

ACTION: Recommended.

9. File 65-89-9. [Lease of Property] Ordinance authorizing and approving lease of City-owned property located at the intersection of Del Vale Avenue and O'Shaughnessy Boulevard to the Miraloma Park Improvement Club for an automobile parking lot. (Real Estate Department)

ACTION: Recommended.

10. File 93-89-23. [Memorandum of Understanding] Resolution ratifying Memorandum of Understanding with Transport Workers Union Local 250A. (Office of Mayor's Employee Relations Division)

ACTION: Recommended.

11. File 147-89-5. [Grant - State Funds] Resolution authorizing the City Librarian to accept and expend funds not to exceed \$2,975 available through the Library Services and Construction Act for the Fiscal Year 1989/90 for the purchase and installation of a telefacsimile machine at the Chinatown Branch Library which will be used to share materials through telefacsimile transmission with other California libraries. (Public Library)

ACTION: Recommended.

12. File 148-89-7. [Grant - State Funds] Resolution authorizing the Director of Public Works to apply for, accept and expend State Natural Disaster Assistance Funds in the amount of \$819,000 to repair earthquake-damaged streets located off the Federal-Aid Highway System and authorizing the Director of Public Works to proceed with the work under emergency contract. (Department of Public Works)

ACTION: Recommended.

13. File 148-89-8. [Grant - Federal Funds] Resolution authorizing the Director of Public Works to apply for, accept and expend Federal Emergency Management Administration Disaster Assistance Funds in the amount of \$2,457,000 to repair earthquake-damaged streets located off the Federal-Aid Highway System and authorizing the Director of Public Works to proceed with the work under emergency contract. (Department of Public Works)

ACTION: Recommended.

14. File 199-89-3. [Jurisdictional Transfer] Resolution transferring jurisdiction from the Department of Public Works to the Water Department of vacated portion of the former Crescent Avenue west of Putnam Street to be used as a leased parking area in exchange for a surplus portion of Water Department property to be dedicated as a realigned portion of Crescent Avenue; and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

ACTION: Recommended.

CITY AND COUNTY



OF SAN FRANCISCO

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BOARD OF SUPERVISORS

BUDGET ANALYST

SAN FRANCISCO
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1390 Market Street, Suite 1025, San Francisco, CA 94102 (415)554-7642

December 14, 1989

TO: Governmental Operations Committee

FROM: Budget Analyst

SUBJECT: December 18, 1989 Governmental Operations Committee Meeting

Item 1 - File 97-89-20

Note: This item was continued at the December 11, 1989, Governmental Operations Committee meeting.

Item: Ordinance to amend the Administrative Code by adding Chapter 12G relating to the award of subcontracts by City prime construction contractors to small minority and small women business enterprises (SMBE/SWBE).

Description:

1. Based on the United States Supreme Court's decision in City of Richmond v. Croson, the City Attorney in February, 1989, advised departments and contracting awarding authorities to implement a race- and gender-neutral subcontracting program in place of the then existing race- and gender-conscious program, because the statistical basis for the latter had not been a part of the development of the original MBE/WBE/LBE Ordinance.
2. The Board of Supervisors adopted Ordinance No. 175-89, the MBE/WBE/LBE II Ordinance, on May 22, 1989. That Ordinance, which was subsequently signed into law, contains provisions limiting the application of race- and gender-conscious prime contracting remedies to narrowly defined contracting categories. Those contracting categories have been shown to have a statistically significant variance from the amount of contracting dollars that would be expected to go to minorities and women, based on the availability of such firms in particular contracting categories.

3. The proposed ordinance contains the following five findings with respect to the subcontracting practices of the City's prime contractors, based on oral and written testimony submitted in the MBE/WBE/LBE II Ordinance hearings, the 1983 and 1989 reports of the Human Rights Commission, the 1989 reports of the Budget Analyst, the 1989 report of BPA Economics, Inc., and relying upon the Board's knowledge about the City's compliance with the small minority and small women business contracting program:

a. The evidence before the Board reflecting that small minority and small women owned businesses are receiving City construction subcontracting dollars that are comparable to the availability of such businesses merely reflects that prime contractors competing for City construction contracts were complying with the City's SMBE/SWBE subcontracting program during FY 1987-88.

b. The weight of the testimony and other evidence before the Board indicates that nonminority construction contractors doing business with the City systematically exclude qualified SMBE/SWBE firms from subcontracting opportunities.

c. Race- and gender-neutral measures employed by the City since February 1989 have not prevented the City from being a passive participant in the systematic discrimination against SMBE/SWBE firms.

d. Unless the City takes positive steps to prevent discrimination against SMBE/SWBE firms by the City's prime contractors, the City will become a passive participant in the system of racial- and gender-based exclusion practiced by the City's prime construction contractors.

e. The City's SMBE/SWBE subcontracting program for construction contracts must be continued to prevent the City from once again becoming a passive participant in the systematic exclusion of SMBE/SWBE firms from subcontracting opportunities on City construction contracts.

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4. The proposed ordinance contains the following provisions with respect to the policy, scope, definitions, powers and duties of the HRC and its Director, powers and duties of contract awarding authorities, SMBE/SWBE participation goals, monitoring and reporting, compliance, review and implementing instructions:

a. Policy: The City will rely on the relationship between the percentages of SMBE/SWBE firms in the relevant business community sector and their respective shares of City subcontract dollars as a measure of the effectiveness of this proposed ordinance.

b. Scope: The ordinance would apply only to the award of subcontract dollars by the City's prime construction contractors.

c. Definitions: Although the wording may be slightly different on a few of the definitions because of the emphasis on subcontracting as opposed to prime contracting, with the following exceptions, the definitions section is a subset of the definitions section of the MBE/WBE/LBE Ordinance II:

- (1) Back Contracting;
- (2) Economically Disadvantaged;
- (3) Small Minority Business Enterprise (SMBE);
- (4) Small Women Business Enterprise (SWBE);
- (5) Small Woman/Minority Man Business Enterprise (SW/MBE);
- (6) Subcontractor.

d. Powers and Duties: The Human Rights Commission would have the following powers and duties:

- (1) Data collection, analysis and reporting;
- (2) Levying sanctions;
- (3) Amending existing rules and regulations establishing standards and procedures for administering the ordinance.

e. The Director, Human Rights Commission, in addition to the duties and powers given elsewhere, would certify businesses as bona fide SMBE/SWBE firms and be responsible for providing information and assistance to SMBE/SWBE firms.

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f. City Departments or Contract Awarding Authorities would have the following powers and duties:

(1) Impose such sanctions or take such other actions as are designed to ensure compliance with the provisions of the ordinance:

(2) Not award any contract to a person or business who or which is disqualified from doing business with the City under the provisions of the ordinance.

g. All construction contracts would include the following requirements:

(1) Require, where subcontracting is utilized, that the bidder demonstrate every "good faith effort" to subcontract with SMBE/SWBE firms;

(2) Require a signed notarized statement declaring the intention to fully comply with the provisions of the Ordinance;

(3) Incorporate the Ordinance by reference and provide that the failure of any bidder, contractor, or subcontractor to comply with any of its requirements shall be deemed a material breach of contract;

(4) Incorporate liquidated damages provisions;

(5) Specify the continuing responsibilities of prime contractors during the term of the contract with respect to fulfilling SMBE/SWBE participation commitments, good faith efforts to utilize SMBE/SWBE firms, urging subcontractors to utilize SMBE/SWBE firms, and maintaining records necessary for monitoring compliance with the provisions of the Ordinance.

(6) Specify that whenever contract amendments are made which cumulatively increase the total dollar value of the contract by more than ten percent, the contractor shall comply with those SMBE and SWBE provisions of the Ordinance that applied to the original contract with respect to the amendment.

(7) Prohibit "back contracting" to the prime contractor or higher tier subcontractor for any purpose inconsistent with the provisions of the Ordinance.

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h. SMBE and SWBE participation goals:

(1) Contracts for construction, the estimated cost of which exceeds \$50,000, would be awarded in accordance with the following standards and procedures:

(a) The Director, HRC, would set the SMBE and SWBE participation goals based on the degree to which such goals would contribute to increasing the participation of SMBEs and SWBEs in City contracts, the level of participation of SMBEs and SWBEs in contracts awarded by other governmental agencies in San Francisco, and the availability of SMBEs and SWBEs that are capable of performing the services required.

(b) Bids and proposals shall identify the particular SMBE/SWBE firms to be utilized in performing the contract, specifying for each the dollar value of the participation, the type of work to be performed, and such information as may reasonably be required to determine the responsiveness of the bid or proposal.

(c) During the term of the contract, any willful failure to comply with the levels of SMBE/SWBE participation identified in the bid or proposal shall be deemed a material breach of contract.

(d) A contracting awarding authority or a department may request the Director to waive the requirements with respect to this section, or to reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the Director prior to solicitation of bids or proposals. A contractor may request the contracting awarding authority or department to waive or reduce the amount of the SMBE/SWBE goals by submitting the reasons therefore to the contract awarding authority at the time of the bid or proposal. The Director or the contract awarding authority, as the case may be, shall grant such a waiver or reduction of the SMBE/SWBE goal based on the nature of the work or availability of qualified SMBE/SWBE firms capable of performing the work.

i. **Monitoring, Reporting, and Compliance:** The requirements and responsibilities covering this subject are essentially the same as those in the MBE/WBE/LBE II Ordinance.

j. **Review:** The Commission shall review and report to the Board of Supervisors, the Chief Administrative Officer, and the Mayor annually on the extent of SMBE and SWBE participation in City prime construction contracts. If in the opinion of the Commission, the objectives of the Ordinance have been achieved in whole or in part, the Commission shall recommend to the Board of Supervisors that those sections be repealed. The Ordinance shall expire three years from its effective date unless extended by the City.

k. **Implementing Regulations:** The HRC shall, within 30 days of the enactment of this Ordinance, establish appropriate amendments to the rules, regulations, and procedures adopted and promulgated by the HRC pursuant to Ordinance 139-84. The public and affected agencies shall have the opportunity to provide input to and comment on the amendment to the regulations prior to their formal adoption. The rules and regulations shall provide for administrative procedures that allow a prime construction contractor to establish that the Ordinance's remedial measures should not be applied to the construction industry at the time that SMBE/SWBE participation in construction contracts has reached parity with the available number of SMBE/SWBE firms in the relevant business community and SMBE/SWBE firms no longer suffer from a competitive disadvantage in the construction industry.

Comments:

1. The proposed Ordinance is in a first draft form.

2. Findings one (point 3a.) and two (point 3b.), which are concerned with the degree of participation SMBE/SWBE firms have experienced in construction contracting in the City, as reflected in testimony before the Board of Supervisors, appear to be contradictory. Finding one states that evidence before the Board shows that SMBE/SWBE firms are awarded subcontract dollars that are comparable to the available numbers of SMBE/SWBE firms in the relevant market. Finding two states that evidence presented to the Board reflects that nonminority construction contractors competing for or doing business with the City systematically exclude qualified SMBE/SWBE firms from subcontracting opportunities on City construction contracts.

3. At the Governmental Operations Committee Meeting of November 20, 1989, the Budget Analyst was directed to obtain the names and MBE/WBE status of construction subcontractors on the 20 largest private construction developments within the City, initiated within the last five years. To date, the Budget Analyst has received listings of such projects from both the Department of City Planning and the Bureau of Building Inspection (BBI) of the Department of Public Works. The BBI listing also contains the building, plumbing, and electrical permits for most of the projects. The Budget Analyst is in the process of attempting to obtain listings of subcontractors.

Recommendation: Approval of this proposed ordinance is a policy matter for the Board of Supervisors.

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Item 2 - File 106-89-8

Note: This item was continued by the Governmental Operations Committee at its meeting of December 11, 1989.

Department: Civil Service Commission

Proposed Action: Resolution that the highest general prevailing rate of wages paid in private employment to various crafts in the City is determined and set forth in (a) the General Prevailing Wage Determination survey made by the Director of Industrial Relations of the State of California and (b) the agreement between Parking Employers and Teamster Automotive Employees, Local 665.

Description: 1. Charter Section 7.204 requires that contracts for public works or improvement involving construction or fabrication shall provide for the payment of the highest prevailing wage rates to all persons performing labor under such contracts.

2. Section 6.37 of the City's Administrative Code gives authority to the Board of Supervisors to fix and determine the highest general prevailing wage rates. To assist the Board in the determination of these wage rates, the Civil Service Commission is required to furnish, on an annual basis, data as to the highest general prevailing rate of wages of the various crafts and types of labor, including wages paid on holidays and for overtime, as paid by private employers in the City. In determining these wage rates, the Board of Supervisors is not limited to the data submitted by the Civil Service Commission but may consider such other information on the subject as it may deem proper.

Comments: 1. In April of 1989, the Board of Supervisors approved an ordinance (File No. 97-89-9) amending Section 6.36 of the Administrative Code requiring the payment of prevailing wages to Garage Attendant employees of contractors engaged in the operation and maintenance of City-owned parking lots and garages. However, the State's General Prevailing Wage Determination survey did not at that time and does not now include any data for Garage Attendants. As an alternative, the Civil Service Commission used the agreement between Parking Employers and the Teamsters Automotive Employees, Local 665 as the benchmark for the highest general prevailing wage for Garage Attendants. This hourly rate is currently \$11.50 per hour.

2. Under the provisions of Section 6.37 of the Administrative Code, the Civil Service Commission is required to submit data to the Board of Supervisors as to the highest general prevailing rate of wages of the various crafts and types of labor as paid in

private employment in the City. The Budget Analyst notes that this data was not submitted to the Board of Supervisors between the years 1983 and 1988. According to Mr. Patrick Finney of the Civil Service Commission, this data was inadvertently not submitted to the Board of Supervisors between 1983 and 1988.

3. In the absence of approval from the Board of Supervisors of the highest general prevailing wage rates for the period 1983-1988, the Department of Public Works used the General Prevailing Wage Determination survey conducted by the State Department of Industrial Relations. Historically, this is the source of the data the Civil Service Commission provides to the Board of Supervisors for determination of the highest general prevailing wage rates. The General Prevailing Wage Determination survey data is the data which is being used as the basis for the highest general prevailing wage rates under the proposed resolution.

4. The Budget Analyst notes that under the provisions of Charter Section 7.204, the Board of Supervisors has authority to enact all necessary ordinances to carry out the terms of this section. The Budget Analyst has made an inquiry to the City Attorney's Office as to whether the proposed legislation, which is in the form of a resolution, should instead be an ordinance. The Budget Analyst has also made an inquiry to the City Attorney's Office as to whether any other changes are needed to amend the proposed legislation and if there are any legal consequences resulting from the Civil Service Commission not having submitted the necessary wage rate survey data to the Board of Supervisors between the years of 1983 and 1988. Such data is needed by the Board of Supervisors to approve legislation determining the highest general prevailing wage rates for those years.

5. Mr. Ted Lakey of the City Attorney's Office advised the Budget Analyst that as of the writing of this report, no final decision has been made on whether the proposed legislation should be in the form of a resolution or ordinance. He stated that the final form of the legislation should be submitted to the Board of Supervisors by December 15, 1989. Mr. Lakey states that the City Attorney's Office has determined that there are no legal consequences resulting from the Civil Service Commission not having submitted the necessary wage rate survey data to the Board of Supervisors between 1983 and 1988.

Recommendation: Approve the proposed legislation.

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Item 3 - File 146-89-68

Note: This item was continued from the November 20, 1989 Governmental Operations Committee meeting. This item is related to Files 101-89-59 and 102-89-23, which was considered by the Finance Committee on December 13, 1989.

Department: Department of Public Health (DPH), Homeless Office

Item: Resolution authorizing DPH, as sub-grantee, to accept and expend a Federal grant.

Amount: \$929,139

Source of Grant: Federal Public Health Services, McKinney Homeless Assistance Grant

Grant Period: January 1, 1990 to December 31, 1990

Project: Homeless Primary Care and Substance Abuse Services

Project Description: The proposed grant would fund the City's share of a collaborative effort between the DPH, which is the sub-grantee, and the San Francisco Community Clinic Consortium (SFCCC), prime grantee. DPH is the sub-grantee because SFCC had a prior arrangement for similar services with the Federal government. The program provides comprehensive primary health care, social services and substance abuse services to homeless persons in San Francisco through a network of eight community-based health clinics, including the City-operated Tom Waddell Clinic. During 1990, the project will expand to include services to homeless people with HIV disease and tuberculosis, those in need of podiatry and dermatological services, and specialized services to families, women, youth and seniors.

The proposed grant would fund DPH medical and dental care, social services and mental health services, and contractual services with (a) Bayview Hunters Point Foundation (BVHP) for the provision of mental health services, (b) 18th Street Services for substance abuse services and (c) the California College of Podiatric Medicine for podiatry services. These contractors, who are the current service providers for this program, would be awarded the contracts on a sole-source basis due to the unique nature of the services.

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**# of Persons to
 be Served:**

Approximately 5,000 unduplicated clients, or 12,000 encounters with clients, during 1990.

Project Budget:

Grant Budget

	<u>FTE</u>		
<u>Civil Service Personnel</u>			
Data Entry Operator	1.0	\$24,078	
Nurse Practitioner	4.0	212,472	
Senior Medical Social Worker	1.0	49,140	
Medical Social Worker	2.0	73,528	
Medical Records Technician	0.5	14,976	
Clinical Psychologist	<u>0.2</u>	<u>9,542</u>	
Subtotal Civil Service	8.7		\$383,736
Mandatory Fringe Benefits			111,283

Contractual Services

Bayview Hunters Point Foundation

Team Coordinator	1.0	\$31,247	
Case Manager/Therapist	2.0	53,434	
Outreach Workers	6.0	140,868	
Psychiatrist	<u>0.35</u>	<u>28,794</u>	
Subtotal	9.35	\$254,343	
Fringe Benefits		50,869	
Indirect Costs		<u>20,958</u>	
Subtotal			326,170

18th Street Services/BVHP

Youth Outreach Worker	1.0		26,800
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California College of Podiatric

Medicine

Podiatrist	0.2		12,000
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Travel (one national conference)		650	
Supplies		30,000	
Dental Laboratory		10,000	
Telephones		2,000	
Beepers		1,500	
Emergency Food, Clothing and Transportation			20,000
Data Processing Services			<u>5,000</u>

Total Grant Budget \$929,139

Local Match 464,570

Total Project Budget \$1,393,709

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Indirect Costs: None

Required Match: \$464,570, or 33 percent match of total project costs, \$65,177 of which is included in DPH's 1989-90 budget and \$399,393 of which will be funded by monies yet to be identified.

Comments: 1. The proposed grant amount of \$929,139 is \$337,332 or 57 percent more than the \$591,807 received in 1989. Mr. Fred Milligan of DPH reports that the 1990 grant request includes maintenance of previous year services plus cost-of-living increases and 5.35 FTE positions, which are part of the Homeless Primary Care and Substance Abuse Services program but are currently funded by Robert Wood Johnson Foundation grant monies. Mr. Milligan indicates that the Robert Wood Johnson Foundation money is being phased out, and therefore DPH is requesting Federal monies to supplant the private foundation money. The Robert Wood Johnson Foundation-funded positions, included in the 1990 Federal grant request, are as follows:

	<u>FTE</u>
Civil Service Personnel	
Nurse Practitioner	1.0
Medical Social Worker	1.0
Bayview Hunters Point Foundation Contract	
Team Coordinator	1.0
Case Manager/Therapist	2.0
Psychiatrist	<u>0.35</u>
Total FTE	5.35

2. As noted earlier, the proposed grant requires a 33 percent local match of \$464,570, \$65,177 of which is included in DPH's 1989-90 budget and \$399,393 of which is to be funded by sources yet to be identified. The DPH has requested a supplemental appropriation and salary ordinance amendment for \$167,108 of the \$399,393 unidentified funds to fund four new positions to be added to DPH, medical services contracts and other related costs for fiscal year 1989-90 (Files 101-89-59 and 102-89-23). According to Mr. Milligan, the DPH anticipates requesting the remainder of \$232,285 of the unidentified funds (\$399,393 less \$167,108) in the DPH's FY 1990-91 budget. Mr. Milligan indicates that approval of the supplemental appropriation, which was considered by the Finance Committee on December 13, 1989, is required before the DPH may accept and expend the proposed grant funds of \$929,139.

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3. The proposed supplemental appropriation ordinance and salary ordinance amendment (Files 101-89-59 and 102-89-23) were continued by the Finance Committee at its meeting of December 13, 1989, pending Federal Public Health Services' notification to DPH of the actual grant award amount and submission by DPH to the Finance Committee of supplemental appropriation budget revisions, if any. Therefore, the proposed resolution for the \$929,139 Federal grant (subject of this report) should be continued pending approval of the supplemental appropriation by the Finance Committee.

Recommendation: Continue the item pending approval of the supplemental appropriation (File 101-89-59) by the Finance Committee.

Item 4 - File 165-89-3

1. This is a hearing to consider updating the Budget Analyst's September 1, 1989 Report on City Leases (Report).

2. The Report, which was previously submitted to the Board of Supervisors, was compiled using lease information provided by the Department of Real Estate, the Airports Commission, the Public Utilities Commission, the Department of Recreation and Park and the Port of San Francisco. The Report contains lease information for those leases to which the City is party either as lessee or as lessor. The Report contains 135 leases in which the City is lessee, resulting in \$9,490,249 of annual expenditures incurred by the City in FY 1988-89, and 410 leases in which the City is lessor, resulting in \$67,697,417 of annual revenues received by the City in FY 1988-89.

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Items 5 and 6 - Files 179-89-4 and 180-89-4

1. Resolution (File 179-89-4) urges the Mayor to urge the Health Commission, Civil Service Commission and the Employees Retirement Board to meet the time requirements imposed by Proposition H and to conduct a joint public hearing to develop and submit recommendations to the Board of Supervisors for the administration of sick leave transfers.

2. Resolution (File 180-89-4) urges the Mayor to urge the Health Commission to meet the requirements imposed by Proposition I and to develop a definition of catastrophic illness for the purpose of a sick and vacation leave transfer program for City and County Employees.

3. Propositions H and I were approved by the electorate at the November 7, 1989 election.

4. Proposition H authorizes City employees to transfer their unused accumulated sick leave to another City employee (a) who has been determined to be catastrophically ill by the employee's department head, and (b) who has exhausted his or her vacation allowance, sick leave and compensatory time off, provided that such determination and such transfer may be made only in compliance with the terms and conditions established by the Board of Supervisors. Proposition H also requires the Health Commission, the Civil Service Commission and the Employees Retirement Board to conduct a joint hearing to consider and develop recommendations for submission to the Board of Supervisors within 60 days of the effective date of Proposition H. That date would be February 2, 1990 given the effective date of Proposition H is December 4, 1989. The proposed resolution (File 179-89-4) repeats the language set forth in Proposition H and adds that the Health and Civil Service Commissions' and the Employees Retirement Board's recommendations are to be developed and submitted to the Board of Supervisors by February 2, 1990.

5. Proposition I authorizes City employees to transfer their vested vacation allowance credits to another City employee (a) who has been determined to be catastrophically ill by the employee's department head in accord with the definition of catastrophic illness to be provided by the Health Commission, and (b) who has exhausted his or her vacation allowance, sick leave and compensatory time off, provided that such transfers may be made only in compliance with the terms and conditions established by the Board of Supervisors. No specific time requirements are contained in Proposition I. The proposed resolution (File 180-89-4) regarding Proposition I would urge the Mayor to urge the Health Commission to develop a definition of catastrophic illness for submission to the Board of Supervisors within the same time limits imposed by Proposition H.

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6. According to preliminary information provided by the Health Commission, the Civil Service Commission and the Employees Retirement Board, a public hearing to comply with the requirements of Proposition H will be held on January 29, 1989. The hearing panel will be comprised of a six member joint committee made up of two members from each of the three participating departments. Based on the results of the hearing, the Joint Committee will develop recommendations and will report back to each of their respective departments. Based on the action of the three departments, the Joint Committee will submit a consolidated report of recommendations to the Board of Supervisors. The Health Commission is expected to designate its two members to the Joint Committee on December 19, 1989, the Civil Service Commission on January 8, 1990, and the Employees Retirement Board on January 9, 1990. These times reflect regular meeting dates for these departments.

7. According to Ms. Sandi Ouye Mori, Secretary to the Health Commission, the matter to develop a definition of catastrophic illness will not be calendared by the Health Commission until early next year. At the present time, Ms. Mori could not provide a date that the Health Commission would fulfill the requirement imposed by Proposition I.

8. In July of 1989, the Budget Analyst reviewed the potential fiscal impact of the transfer of sick leave between employees (Proposition H). As previously reported, it cannot be reasonably estimated as to how much sick leave (and the amount of the related costs) that individual City employees or all City employees would donate for catastrophically ill employees.

9. In July of 1989, the Budget Analyst also reviewed the potential final impact of the transfer of vested vacation credits between employees (Proposition I). According to information provided by the City's Employees Retirement System, there would be costs associated with the extra time spent on the job by the donating employee. Further, there could be an increase in costs if, for example, a Clerk Typist transfers his or her vacation time to the department head because the rate of pay for the Clerk Typist would be considerably less than that for the department head. Conversely, the reverse type of transfers (i.e., from a higher paid employee to a lower paid employee) could also occur resulting in reduced costs. Although no terms or conditions have been established, it is reasonable to assume that individual "catastrophically ill" employees would continue to receive their rate of pay and that there would need to be adjustments made in transferring the number of days and various rates of pay between employees. The Controller reports that it cannot be estimated as to the number of transfers that would occur or between what pay scales such transfers would occur. According to Mr. Kieran Murphy of the City's Employees Retirement System, the increased retirement costs resulting from Proposition I should be minimal.

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10. Deputy City Attorney Claude Kolm reports that the 60-day requirement identified in Proposition H should be considered only as the time period needed to schedule and conduct the joint hearing to consider and develop recommendations. The 60 days does not include any additional time that would be needed after the hearing to complete the recommendations that would be submitted to the Board of Supervisors. Mr. Kolm advises that he is reviewing the proposed resolution (File 179-89-4) and may propose some amendments in Committee.

11. When subsequent legislation to implement the administration of sick leave and vacation transfers and when a definition of catastrophic illness are developed and are introduced for review by the Board of Supervisors, the Budget Analyst will provide further analysis of that related legislation.

Recommendation

Approve the proposed legislation.

Item 7 - File 65-89-10

Department: San Francisco General Hospital

Proposed Action: Ordinance approving a new lease between the J. David Gladstone Foundation and the City operating by and through San Francisco General Hospital pursuant to Section 7.402-1 of the Charter.

Purpose of Lease: The installation and operation of cardiovascular research laboratories.

Lessee: J. David Gladstone Foundation

No. of Sq. Ft. and Revenue/Month: The second through fifth floors in Building 40 (33,958 sq. ft.) and the third floor of Building 9 (7,792 sq. ft.) in San Francisco General Hospital, consisting of a total of 41,750 sq. ft. @ approximately \$0.42/sq. ft. per month or \$17,586.45 per month. Cost of living adjustment would be made annually.

Annual Revenue: \$211,037.40

Utilities and Janitor Provided by City: No

Term of Lease: Twenty year lease commencing upon the date of delivery of possession to the Foundation. The Foundation shall have one 5-year renewal option.

Description:

1. The J. Gladstone Foundation is a non-profit cardiovascular research institute which has occupied space at S. F. General Hospital since June 1977. The Foundation's current lease is for the second through the fifth floors in Building 40 (33,958 sq. ft.) for which the Foundation pays S. F. General Hospital \$12 annually. This low payment was originally negotiated by S. F. General Hospital to attract research institutes to locate at the Hospital when it first opened.
2. The Foundation desires to expand their cardiovascular research laboratories at S. F. General Hospital. The proposed lease would include 7,792 sq. ft. in Building 9 plus include new lease terms for the Foundation's current space of 33,958 sq. ft. in Building 40. The total space occupied by the Foundation at S. F. General Hospital would be 41,750 sq. ft.

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3. The proposed lease is for a period of twenty years. The lease would commence upon date of delivery of the facilities on the third floor of Building 9 to the Foundation. This is to allow S. F. General Hospital time to renovate other office space for the employees currently on the third floor of Building 9. In any case, the lease will commence no later than July 1, 1990.

Comments:

1. The proposed lease guarantees that the J. Gladstone Foundation would expend at least \$1,000,000 in renovation costs for the cardiovascular laboratories with the provision that these improvements become the property of the City on expiration of the lease. If the City terminates the lease before the end of the twenty year lease period, the City must reimburse the Foundation for the unamortized portion of the cost of the permanent improvements.

2. The proposed lease also requires the J. David Gladstone Foundation to pay S. F. General Hospital \$300,000 for the renovation of other Hospital offices for the Hospital employees who would be relocated from the third floor of Building 9 and provide a minimum of 1,600 hours per year of attending physician time to patient care activities at the Hospital. According to Mr. Bob Haslam of the Real Estate Department, the Hospital would be able to relocate the employees located on the third floor of Building 9 by rearranging existing office space and the Hospital would not have to dislocate any existing tenants.

3. The J. David Gladstone Foundation shall pay for all utilities and services costs. The base rates for these charges would be \$17,644.58 per month for the space in Building 40 and \$3,269.32 per month for the space in Building 9. The total base rate for utilities and services would be \$20,913.90 per month. For the first 18 months of the lease or until the Foundation has taken full occupancy in Building 9, the Foundation would be required to pay only one-half of the monthly rate for utilities and services in Building 9 or \$1,634.66. The total monthly utilities and service charges for this period would be \$19,279.24.

Recommendation:

Approve the proposed ordinance.

Item 11 - File 97-89-58

Department: Real Estate

Item: Ordinance to Amend Sections 23.19 and 23.22 of the Administrative Code to increase the Director of Property's authority to execute leases for the City.

Description: The proposed ordinance would increase the Director of Property's authority to execute leases for the City that are year-to-year or shorter in duration and which have a maximum rent of \$1,000 per month.

The Administrative Code currently permits the Director of Property to execute leases that are month-to-month, with a maximum monthly rent of \$500. The proposed ordinance would therefore increase the amount of monthly rent for property from \$500/month to \$1,000/month and increase the length of the term from month-to-month to year-to-year or shorter which can be directly rented by the Director of Property.

The proposed legislation would increase the limits to \$1,000 and year-to-year whether the City's the lessor or lessee. The proposed amendment of Section 23.19 would increase these limits when the City is the lessee and the proposed amendment of Section 23.22 would increase the limits when the City is the lessor.

Comments:

1. According to Mr. Anthony DeLucchi, Director of Property, Real Estate Department, the proposed increase in authority is needed because rental rates have increased substantially since the Director of Property's authority to directly execute rental agreements was increased in January, 1983 (File 420-82). Mr. DeLucchi also reports that the proposed amendment would enable the Director of Property to expedite the leasing of property which has a relatively low fair market rent without requiring the approval of the Board of Supervisors. Currently, all leases that are greater than \$500 per month and that extend longer than month-to-month must be approved by the Board of Supervisors.

2. According to Mr. DeLucchi, fewer than 20 leases would be affected by the proposed legislation.

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3. Mr. DeLucchi further states that the Real Estate Department interprets "fair market rental rate" to be the rate available in the open market. For leases that do not have a fair market rent (for example, \$1.00 per year), the Real Estate Department would continue to ask the Board of Supervisors for approval of such rentals, because a policy decision is required.

Recommendation: Approval of the proposed ordinance to no longer require approval of the Board of Supervisors on leases greater than \$500 per month and that extend longer than month-to-month is a policy decision for the Board of Supervisors.

Item 12 - File 107-89-13

- Department:** Department of Social Services (DSS)
- Item:** Resolution authorizing the execution of a contract between the City and the State of California's Department of Social Services to reimburse the City for Foster Family Home Licensing services.
- Contract Amount:** \$247,572
- Contract Period:** July 1, 1989 through June 30, 1990
- Description:** The State of California's Department of Social Services (State DSS) has contracted with DSS on an on-going basis to provide partial State reimbursement for the provision of foster family home licensing services to approximately 300 facilities. In 1988-89, DSS renewed 137 licenses, issued 78 new licenses, and terminated 71 existing licenses. Licensing services include:
- Providing information, assistance, and orientation for licensing Foster Family Homes;
 - Conducting site inspections of Foster Family Home facilities;
 - Assisting with license renewals;
 - Investigating complaints and taking corrective action; and
 - performing other related licensing activities.
- Comments:** 1. Mr. Walter Maciak of DSS reports that the contracted amount to be reimbursed by the State should read \$247,576 instead of 247,572 as is printed on the resolution. Therefore, to correct the clerical error, the amount of \$247,572 in the resolution should be amended to \$247,576.

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2. The State DSS reimburses the City for performing the above services up to a maximum amount determined by State budget appropriations. The maximum amount reimbursable by the State for fiscal year 1989-90 is \$247,576, an increase of \$5,874 from the 1988-89 amount of \$241,702. The yearly estimated total cost to the City of providing these licensing services during 1989-90 is approximately \$487,205. The General Fund balance of the estimated DSS expenditures of \$239,629 (\$487,205 less estimated State revenues of \$247,576) has been approved in the 1989-90 budget. DSS budgeted \$258,296 in General Fund costs for 1988-89.

Recommendation: Amend the amount of \$247,572 in the proposed resolution to \$247,576. Approve the proposed resolution as amended.

Item 13 - File 146-89-70

Agency: Department of Public Health
Community Mental Health Services (CMHS)

Item: Resolution to apply for, accept and expend a continuation grant of \$13,510

Source of Grant: State Department of Mental Health

Grant Period: July 1, 1989 through June 30, 1990

Project: Mental Health Primary Prevention in Schools.

Project Description: This would be the third and final year of a three-year preschool-based, early detection and mental health intervention program at the Las Americas Children's Center and the Mission Children's Center in the Mission District. The services would be provided through a work order from CMHS to the San Francisco School District, which would hire the aides to work with the two preschools. Approximately 48 preschool children would participate in individual play therapy sessions, in order to enhance their development and readiness for school.

Grant Budget:

	<u>Proposed</u> <u>1988-89</u>
Personnel (contractual - 1.75 FTE)	\$10,456
Operating Expenses	1,062
Materials and Supplies	512
Travel	480
Data Collection	<u>1,000</u>
Total	\$13,510

Required Match: This grant request would be supplemented with in-kind services from a mental health consultant, totaling \$3,608 provided through CMHS.

Comment: The personnel would include 2 aides, each working 15 hours per week, for 37 weeks, at \$9.07 per hour, plus one child aide working 42 hours in the summer, also at \$9.07 per hour.

Recommendation: Approve the proposed resolution.

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Item 14 - File 146-89-71

- Agency:** Department of Public Health
Sexually Transmitted Disease (STD) Control Program
- Item:** Resolution to accept and expend an augmentation grant.
- Amount of Grant:** \$167,200
- Source of Grant:** U.S. Department of Health and Human Services
Centers for Disease Control
- Grant Period:** January 1, 1989 through December 31, 1989
- Project:** Sexually Transmitted Disease (STD) Prevention Project
- Description:**
1. The Board of Supervisors has previously authorized, by resolution (File 146-88-51), an allocation from the Centers for Disease Control in the amount of \$877,954 for Fiscal Year 1988-89. The \$877,954 provided funds for a program to provide for the surveillance and control of sexually transmitted diseases among individuals between the ages 15-45, who are at the highest risk of developing adverse reproduction consequences as a result of contracting a sexually transmitted disease. Located at the San Francisco City Clinic, the STD Control Program provides diagnostic, treatment and epidemiological services for sexually transmitted diseases, including syphilis, gonorrhea, pelvic inflammatory disease, chlamydia and herpes.
 2. The Centers for Disease Control has notified the City that additional funds in the amount of \$167,200 are available for the STD Control Program in Fiscal Year 1988-89. These additional funds would be used for expanded chlamydia surveillance and to perform a study on the relationship between syphilis and HIV among the residents of San Francisco. The \$167,200 proposed grant augmentation to the original grant amount of \$877,954 gives a new total for the STD Control Program of \$1,045,154.

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 December 18, 1989 Governmental Operations Committee Meeting

Project Budget:	Original 1988-89 <u>Funding</u>	Proposed 1988-89 <u>Augmentation</u>	Proposed 1988-89 <u>Total</u>
Personnel	\$450,000	\$72,234	\$522,234
Fringe Benefits	130,500	20,948	151,448
Materials and Supplies			
Gonorrhea Test	32,000	0	32,000
Chlamydia Test	36,486	74,018	110,504
Education Materials	10,000	0	10,000
Office Supplies	7,014	0	7,014
Computer Supplies	10,500	0	10,500
Equipment	64,100	0	64,100
Other Operating	5,150	0	5,150
Training and Travel	32,204	0	32,204
Computer Consultation	10,000	0	10,000
Indirect Costs	<u>90,000</u>	<u>0</u>	<u>90,000</u>
Total	\$877,954	\$167,200	\$1,045,154
Civil Service			
Senior Disease Control			
Investigator	1.00	0	1.00
Disease Control Invest.	3.00	1.00	4.00
Clerk Typist	4.50	.50	5.00
Clerk	1.00	0	1.00
Senior Microbiologist	1.00	0	1.00
Microbiologist	1.25	0	1.25
Epidemiologist	1.00	0	1.00
Secretary	1.00	0	1.00
Physician Specialist	<u>.25</u>	<u>.40</u>	<u>.65</u>
Total	14.00	1.90	15.90

Indirect Cost: None

Required Match: None

Comment: Ms. Wendy Wolf of DPH reports that the Federal Government's Centers for Disease Control had to commit these augmentation grant funds by September 30, 1989. Ms. Wolf states that DPH does not intend to expend these funds until 1990 but had to accept them as part of the 1989 grant if they were to be received at all. These funds will not be counted against DPH's 1990 grant application for the STD Control Program.

Recommendation: Approve the proposed resolution.

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Item 15 - File 146-89-72

Department: Department of Public Health (DPH), Central Office

Item: Resolution authorizing the Department of Public Health to apply for, accept and expend an augmentation to a State grant.

Amount: \$4,595,000

Source of Grant: State Department of Health Services

Grant Period: January 1, 1988 to June 30, 1991

Project: Construction of a Multidisciplinary AIDS Research Center

Project Description: The proposed grant funds would be used for construction of a two-story addition to the existing three-story Pathology building of San Francisco General Hospital to house a Multidisciplinary AIDS Research Center which would provide for the expansion of AIDS basic science research in California. The center would occupy approximately 16,600 square feet of space and would include laboratories, equipment rooms, a biohazard containment facility, office space and space for support services.

The proposed \$4,595,000 grant represents a portion of the approximately \$12 million in State grant funds earmarked for this project. The Board of Supervisors previously approved two State grant awards to the City; the first in the amount of \$1,500,000 to fund the preliminary planning and design phase of the center (File 146-88-1) and the second in the amount of \$5,700,000 for Installment #1 of the Construction Phase (File 146-89-24). The proposed grant would fund Installment #2 of the construction phase. The design phase was completed in April of 1988, at a cost of \$1,452,000. Therefore, the DPH reports that \$48,000 (\$1,500,000-\$1,452,000) is available to be applied towards the Construction Phase. Including the proposed grant, State funds available for the Construction Phase total \$10,343,000 (\$48,000 + \$5,700,000 + \$4,595,000).

Ms. Jan Ouren of DPH reports that the Department of Public Works, Bureau of Architecture, received three bids for the construction of AIDS Research Center, and has selected S.J. Amoroso Construction Co., Inc./ Verrett Construction, a joint venture, based on a low bid, as follows:

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 December 18, 1989 Governmental Operations Committee Meeting

<u>Firm*</u>	MBE/WBE	
	<u>Venture</u>	<u>Firm</u>
		<u>Bid</u>
S.J. Amoroso/ Verrent	MBE	\$9,385,000
Cahill - Tom	MBE	9,646,825
Barnes/Nationwide	WBE	9,780,000

*Each bid represents a joint venture effort. The bid required a minimum of 35 percent of the prime contractor amount to be provided to a minority or women business enterprise (MBE/WBE).

Project Budget:

Ms. Ouren has provided the Construction Phase project budget by subcontractor tasks, as follows:

Construction Contract

<u>Subcontractors</u>	<u>Task</u>	<u>Amount</u>
Concord	St. Steel	\$715,000
Malcoln	Shoring	59,000
Redwood Empire	Insulation	27,000
A Plus	Roofing	71,000
Midwest	Windows/Glass	193,000
Pierce	Drywall, Lath Motor	980,000
Cal Acoustics	Acoustical	49,000
Conklin	Flooring	75,000
Masker	Painting	55,000
U.S. Elevator	Elevator	148,000
Spencer	Plumbing	1,150,000
Aire Sheet Metal	HVAC Sheet Metal	1,700,000
Scott	Fire Proctor	204,000
Collins Electric	Electrical	726,000
ISC	Lab Furn	970,000
Webb	Tile	87,000
Mancini	Metal Deck	<u>100,000</u>
Subtotal Subcontractors		\$7,309,000
Prime Contractor (S. J. Amoroso/Verrett), and miscellaneous other subcontractors whose individual amounts are less than two percent of the total contract.		<u>2,076,000</u>
Subtotal Construction Contract		\$9,385,000

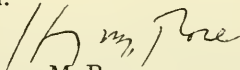
BOARD OF SUPERVISORS
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Construction Contingency	\$645,000
Bureau of Architecture	
Inspection	100,000
Construction Administration	75,000
DPH Project Manager	103,000
Tests and Inspections	<u>35,000</u>
Total Construction Phase Budget	\$10,343,000

Comment: The Human Rights Commission has approved the proposed joint venture contract with S.J. Amoroso/Verrett.

Recommendation: Approve the proposed resolution.


Harvey M. Rose

- cc: Supervisor Gonzalez
- Supervisor Hsieh
- Supervisor Alioto
- President Britt
- Supervisor Hallinan
- Supervisor Hongisto
- Supervisor Kennedy
- Supervisor Maher
- Supervisor Nelder
- Supervisor Walker
- Supervisor Ward
- Clerk of the Board
- Chief Administrative Officer
- Controller
- Carol Wilkins
- Stacy Becker
- Ted Lakey

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12/18/89

Actions Taken

CALENDAR
MEETING OF
GOVERNMENTAL OPERATIONS COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

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MONDAY, DECEMBER 18, 1989 - 10:00 A.M. ROOM 228, CITY HALL

PRESENT: SUPERVISORS GONZALEZ, HSIEH, ALIOTO

CLERK: GAIL JOHNSON

1. File 97-89-20. [Small Minority and Small Women Business Enterprises] DRAFT ordinance amending the Administrative Code by adding Chapter 12G, relating to the award of subcontracts by City and County prime construction contractors to small minority and small women business enterprises. (Supervisors Kennedy, Ward, Maher)

(Continued from 12/11/89)

ACTION: Hearing held. Continued to January 22, 1990 meeting.

2. File 106-89-8. [Salary and Wage] Resolution fixing highest generally prevailing wage rates, private employment on public contracts. (Civil Service Commission)

(Continued from 12/11/89)

ACTION: Recommended.

3. File 146-89-68. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Homeless Office, to accept and expend as sub-grantee, in collaboration with the San Francisco Community Clinic Consortium as prime grantee, a grant from the Federal Public Health Services for the period of January 1, 1990 to December 31, 1990, in an amount of \$929,139, for the provision of primary health services and substance abuse services to homeless individuals. (Mayor)

ACTION: Amendment of the Whole adopted. Continued to January 8, 1989 meeting. New title: "Authorizing the Department of Public Health, Homeless Office, to accept and expend as sub-grantee, in collaboration with the San Francisco Community Clinic Consortium as prime grantee, a grant from the Federal Public Health Services for the period of January 1, 1990 to December 31, 1990, in an amount of \$929,139, for the provision of primary health services and substance abuse services to homeless individuals, and providing for matching funds in the amount of \$464,570."

4. File 165-89-3. Hearing to consider update of Budget Analyst's September 1, 1989 Report on City Leases. (Supervisor Gonzalez)

ACTION: Hearing held. Continued to January 2, 1990 meeting.

5. File 179-89-4. [Proposition H, Sick Leave Transfer] Resolution urging the Mayor to urge the Health Commission, Civil Service Commission and Retirement Board to meet the time requirement imposed by Proposition H and conduct a joint public hearing to develop and submit recommendations to the Board of Supervisors for the administration of sick leave transfers. (Supervisor Hongisto)
ACTION: Recommended. (Supervisor Hsieh Dissenting) (TO BOARD AS A COMMITTEE REPORT FOR CONSIDERATION ON DECEMBER 18, 1989.)
6. File 180-89-4. [Proposition I, Vacation Leave Transfer] Resolution urging the Mayor to urge the Health Commission to meet the requirement imposed by Proposition I and develop a definition of catastrophic illness for the purpose of a sick and vacation leave transfer program for City and County employees. (Supervisor Hongisto)
ACTION: Recommended. (TO BOARD AS A COMMITTEE REPORT FOR CONSIDERATION ON DECEMBER 18, 1989.)
7. File 65-89-10. [Lease] Ordinance authorizing and approving lease of Second through Fifth Floors in Building 40 and the Third Floor in Building 9 at San Francisco General Hospital to J. David Gladstone Foundation for the installation and operation of cardiovascular research laboratories. (Real Estate Department)
ACTION: Recommended.
8. File 93-89-24. [Memorandum of Understanding] Resolution ratifying Memorandum of Understanding with Cement Masons Local 580. (Office of the Mayor's Employee Relations Division)
ACTION: Recommended.
9. File 93-89-25. [Memorandum of Understanding] Resolution ratifying Memorandum of Understanding with Painters, Local #4, District Council No. 8. (Office of the Mayor's Employee Relations Division)
ACTION: Recommended.
10. File 93-89-26. [Memorandum of Understanding] Resolution ratifying Memorandum of Understanding with Transport Workers Union of America, AFL-CIO and Supervisory Employees Association Muni Transport Workers Union, Local #200. (Office of the Mayor's Employee Relations Division)
ACTION: Recommended.
11. File 97-89-58. [Lease of Property] Ordinance amending Administrative Code, by amending Section 23.19, to increase the Director of Property's authority to execute leases for the City and County as lessee to leases not exceeding a one year term with rent not exceeding \$1000 per month; and amending Section 23.22, to increase the Director of Property's authority to execute leases for the City and County as lessor to leases not exceeding a one year term with rent not exceeding \$1000 per month. (Real Estate Department)
ACTION: Hearing held. Continued to January 2, 1990 meeting.

12. File 107-89-13. [Agreement] Resolution authorizing the execution of an agreement between the City and County of San Francisco and the State of California Department of Social Services which shall provide funding in the amount of \$247,572 to City and County of San Francisco for providing Foster Family Home Licensing services for Fiscal Year 1989-90, commencing July 1989. (Department of Social Services)

ACTION: Amended on lines 3 and 10, by replacing "\$247,572" with "\$247,576". Recommended as amended. New title: "Authorizing the execution of an agreement between the City and County of San Francisco and the State of California Department of Social Services which shall provide funding in the amount of \$247,576 to City and County of San Francisco for providing Foster Family Home Licensing services for Fiscal Year 1989-90, commencing July 1989."

13. File 146-89-70. [Grant - State Funds] Resolution authorizing the Department of Public Health, Division of Mental Health, Substance Abuse and Forensic Services, to apply for, accept and expend a grant of \$13,510 from the State Department of Mental Health for primary prevention in schools project. (Mayor)

ACTION: Recommended.

14. File 146-89-71. [Grant - Federal Funds] Resolution authorizing the Department of Public Health, Community Public Health Services, Sexually Transmitted Disease Control Program, to accept and expend an augmentation to the 1989 STD Control Project Grant in the amount of \$167,200 from the Centers for Disease Control for Sexually Transmitted Disease Control. (Mayor)

ACTION: Recommended.

15. File 146-89-72. [Grant - State Funds] Resolution authorizing the Department of Public Health, Central Administration, to accept and expend a grant augmentation of \$4,595,000 from the State Department of Health Services for a Multidisciplinary AIDS Research Center at San Francisco General Hospital. (Mayor)

ACTION: Recommended.

